

## Two biggest unions poised to reject phase three

ment hopes of securing a future incomes within a fixed ceiling could be a final blow this week. It is likely that members of the two biggest unions, the National Union of Engineers and the Transport and

General Workers' Union, will vote for a return to full collective bargaining. Meanwhile, figures published yesterday showed that average earnings in the first nine months of phase two rose by 7.5 per cent. In the same period prices rose by 14.6 per cent.

### Alliance threat to pay policy

Shakespeare industrial

first time, Britain's T&GWU, Unison, the Transport and Workers' Union seem

to vote together

to oppose the Government's pay and de-escalation policy and de-escalation to wage bargaining.

Significant influence

will be the final

Government's hopes

of any continued

industrial strategy

fixed ceiling. All

annual conference

federation of Ship-

and Engineering

incomes in Scar-

dal debate on wages

for nearly 3,000,000 work-

ers concerned, see tomorrow what the motion will be

in the T&GWU's

automobile section

"This meeting

is belief in free

bargaining and this

therefore instructs

executive

for an immediate

collective bargaining

and of the second

social contract."

The resolution's

Granville Hawley

likely speak for the

vehicle and auto-

mobile

delegates

in other words, it would be

the composite motion

on wages results from a series of

resolutions tabled by several of

the Confederation's

15 constituent

unions.

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## HOME NEWS



Mc George Ward, managing director of the Grunwick film-processing laboratories, in his besieged factory.

## Apex leader asks TUC for support

By Paul Routledge and Robert Parker

TUC leaders will be asked tomorrow to increase assistance to the union organizing strikers at the Grunwick film-processing laboratories in north London where mass picketing has brought clashes with the police.

An urgent request for support from the TUC General Council was discussed yesterday by its finance and general purposes committee. It decided to recommend further assistance to the Association of Professional, Executive, Clerical and Computer Staffs (Apex) which has recruited the strikers.

Mr Roy Grantham, general secretary of Apex, in a letter urged the general council to enlist union support to end the dispute satisfactorily. He asked the TUC to call on the Government for machinery to resolve the dispute, and to ask members of other affiliated unions to continue this week "the magnificent support" given during the first week of mass picketing.

Mr Grantham's letter said that police outside the Grunwick factory drove pickets into small groups against the wall. People pushed and the police began to arrest pickets.

"At that point and subsequently during the week the police have used unnecessary force in seeking to achieve their objectives", Mr Grantham said.

Mass picketing continued again yesterday with further violence despite a request from Apex to restrict picket numbers to 500, about a thousand turned up in the morning.

Several arrests were made, including that of Mr Denis MacShane, vice-president of the National Union of Journalists, for alleged obstruction. Before his arrest he had told pickets that the NUJ national executive committee "will be backing you as long as the strike goes on".

Three other people were charged with obstruction. Five with assaulting the police, six with threatening behaviour, and two with possessing offensive weapons (milk bottles).

Altogether 168 people have been arrested during the dispute, with 28 policemen and five demonstrators hurt.

Photographs of a bottle-throwing incident outside the plant have been submitted to police by Apex. Mr Grantham said last night that the four men involved were not unionists but should be asked "what kind of agent provocateur was involved in this disgraceful activity".

The bottles were thrown at a coach carrying workers into the plant. After being approached by union officials, Mr Grantham said, "one or two of the men jumped onto a police van, which seems rather odd".

Mr George Ward, the Grunwick managing director, said yesterday he did not mind being called a scab. "A scab prevents infection entering the wound", he added.

That was not a bad description of his role in the controversy.

Mr Ward, aged 44, a former City chartered accountant, who set up the film processing plant in 1965, said: "I am my own man and that is what I am fighting for."

Last night Mr Grantham met Mr Booth, Secretary of State for Employment. Mr Ward rejected an invitation to attend a fresh approach meeting expected today to get all sides round the table. Throughout the dispute, Mr Ward has refused to meet officials although yesterday he repeated his challenge to Mr Booth to visit Grunwick.

Miners from Kent and Scotland are expected to join the picket lines today or tomorrow. The aim, according to one union leader, is to "bump up" the resistance to police protection of the eighty or so workers who cross the picket line each day.

Supporters from Lancashire are involved in the picketing, as well as squatters' leaders from London, various trades councils, members of the Young Socialists, and several other left-wing groups. Most of those involved at the three Grunwick sites in Willesden Green, north London, are under 25.

Mr John Gorst, Conservative MP for Hendon North, visited Mr Ward yesterday. After a Parliamentary report, p. 139 Letters, p. 139

## Union leaders help to head off pay policy critics

By Our Labour Editor

Cabinet ministers and union leaders yesterday set in motion a policy initiative designed to head off criticism of the Government's economic policies and sustain TUC confidence in the "special relationship" with the Labour Administration.

An inclusion in the Times yesterday, the TUC-Labour Party liaison committee is to draw up a statement for adoption by the Trades Union Congress and the Labour Party conference, which records the achievements of the past year and restates industrial and social priorities for the future. It will bring up to date the document, *The Next Three*

Years and Problems of Priorities endorsed last year.

Yesterday's meeting underlined the support of trade union leaders for the Government which will be reflected in the draft paper being considered at the July session of the liaison committee.

There may be some mild self-criticism about the inability of ministers to achieve all that was intended, but the blame will almost certainly be laid at the door of the sterling crisis last autumn and the Government's minority position in Parliament.

Ministers, members of the Parliamentary Labour Party, Labour's national executive and the TUC General Council

yesterday discussed youth unemployment, particularly in relation to the Holland report, on which a Government statement will be made soon; social policy and housing finance. Those issues will figure in the joint statement being drafted.

The TUC economic committee will today meet Mr Healey and his senior Cabinet colleagues responsible for talks on what should happen after phase two of the TUC-Government incomes policy expires at the end of next month. Union leaders have not laid down a set policy, but will urge on the Chancellor flexible arrangements amounting to only an

understanding on pay, with an upper limit on wage increases.

What the TUC will offer is rigid adherence to phase two of the social contract, which does not finally expire until all settlements made under it run out in mid-1978; a continuation of the 12-month rule that forbids more than one substantial rise a year. The unions also want action on price controls.

The unions are not expected to reach a final formula of discussion by unions or ministers. No decisions will be taken until the transport workers and the miners make their policy decisions on wage restraint in the first week of July.

## Telephone engineers likely to reject phase three

By Tim Jones

Labour Reporter

Delegates at the conference at Blackpool of the Post Office Engineering Union, yesterday, rejected today to reject a further phase of pay restraint. They are also expected to endorse an executive committee proposal for industrial action unless a shorter working week is negotiated by October 1.

The claim for a phased reduction in the working week to 37 hours will be submitted on August 1, the day after stage two of the pay policy ends. If a 37-hour week is not conceded by October 1, the executive will order industrial action.

That will include withdrawal

from productivity discussions, non-participation in the introduction of new exchanges, selective stoppages, and a one-day national strike.

Mr Bryan Szadley, the union's general secretary, said yesterday: "One consequence of our commitment to phase two is that we have not yet been able to conclude an agreement with the Post Office for a reduction in hours of work.

Mr Stanley criticized the Post Office decision to refund more than £100m to telecommunications customers. "In the long term a refund is not in the interests of the customer, the staff or the future development of the telecommunications business", he said.

## Five years' prison for man behind drug smuggling

Trevor Thompson, aged 41, said to be the brain behind a plot to smuggle cannabis with a street value of £143,000 into Britain, was jailed at Warwick Crown Court yesterday for five years.

He admitted organizing a plan illegally to import 150kg of cannabis from Morocco. The scheme was foiled because a member of the gang was a police informer, it was stated.

During the six-day trial Mr Thompson, a former assistant district Scout commissioner, of Cheswick Green, Birmingham, changed his plea to guilty.

Costas Costa, aged 33, a com-

pany director, of Beehive Lane, Ilford, Essex, said to have financed the operation, was jailed for two years. He also originally pleaded not guilty.

It was stated that the informer kept drug squad detectives fully in the picture about the plan to smuggle in the drug, hidden in a caravan and a caravette. Mr Thompson admitted his part in the drug trafficking scheme.

Denis Mullin, whose address was not disclosed, said he went to Morocco with Mr Thompson to find a supply of drugs. Mr Thompson found a "No 1 hashish dealer" in Tangiers.

## Social security dispute settled

Normal working will be resumed soon as social security offices in the West Midlands after a settlement yesterday of the dispute arising from the disciplining of Mr John Bourne, a Birmingham clerical officer.

Mr Bourne, who had told a newspaper he would be better off out of work than paying out benefit money, will move to another centre.

Guards tricked out of £240,000

Security guards were tricked out of £240,000 at a Co-operative bank in Walsall.

One of three guards was given a note by a man saying, untruthfully, that his gun had been abducted and telling him to follow a grey car. The security van followed a grey Corolla to Bushy, where in a cul de sac the man escaped with the money. The NUT aims to save

## Bill of Rights 'cheaper than European court'

By a Staff Reporter

A Bill of Rights would promote greater parliamentary consideration of human rights and provide a less costly or cumbersome legal alternative to the European Court of Human Rights, Lord Hailsham of St Marylebone, the former Lord Chancellor, said yesterday.

Giving evidence to the House of Lords Select Committee on a Bill of Rights he said that such a Bill would avoid some inadvertent breaches of human rights by Parliament, but its effect would be limited in the absence of radical constitutional change.

"It would be a modest improvement with very limited advantages", he said. "But it would compel the Government to consider human rights when trying to legislate."

He also saw benefits in the resulting legal structure. "It would at least provide a much cheaper and shorter remedy than going to the European Court of Human Rights at Strasbourg", he said. Giving the example of Northern Ireland's referral to the court recently, he added that treatment of the case by British law might have "nipped in the bud" the practices disclosed.

Lord Hailsham said that a Bill of Rights might check a tendency by Parliament to brush aside human rights issues

in the knowledge that there was unlikely to be any legal redress. He also hoped that it would create greater awareness of issues raised by the European Convention on Human Rights among powerful companies and individuals, and its effects would be felt in areas as diverse as education and laws on privacy.

The convention, and any future amendments, should be fully incorporated in a British Bill. "The right course, and only feasible course, is to embody the European Convention in nothing else", he said.

He rejected the suggestion that a Bill based on the European Convention would not "drive a coach and horses" through the British constitutional framework.

"The sovereignty of Parliament would remain unimpaired", he said, "and judges should take into account their new international obligation".

Asked whether an issue such as abortion might provoke conflict between British law and the European Convention, he said that the rights of an unborn person had never been recognized in British common law, so that any case brought on its behalf would have to be referred to the European court, as at present.

## Strike in 35 Oxford schools

The National Union of Teachers announced yesterday that official strike action would be taken in 35 City of Oxford schools from a week today in support of the union's campaign against Oxfordshire's "swingeing" economy cuts in teaching posts.

The union said its first big strike for years was against cuts that would put Oxfordshire close to the bottom of the pupil-teacher ratio league of 104 education authorities. But it was emphasized that the strike would not affect school examinations.

The union was ready for more talks with Oxfordshire at any time; but the strike would go on.

## Manifesto on EEC 'not acceptable to Labour'

By George Clark  
Political Correspondent

The British Labour Party, as well as the French, Dutch and some German socialist, will find it difficult to accept the draft manifesto for direct elections to the European Parliament drawn up by the Confederation of European Socialist Parties. Mr John Prescott, MP for Kingston-upon-Hull, East and leader of the Labour delegation to the European Parliament, said yesterday.

Speaking at a press conference called at the House of Commons to discuss a report on the delegation's activities since 1975, Mr Prescott said that the draft manifesto clearly envisaged European federal union, and that was not acceptable.

Any discussion of the document was purely academic, because the British Labour Party, with its conference decision to oppose direct elections no matter what the Government might say, was not really acknowledging that the manifesto existed.

The terms of the manifesto are known, however, to the party's international committees. At the last meeting of the party's national executive, the international committee's chairman, Mr Ian Mikardo, confirmed the interpretation made by Mr Wedgwood Benn, Secretary of State for Energy, that the manifesto was seeking to commit the European socialist parties to a federal parliament.

The dispute, which started 44 weeks ago, is about pay and conditions of the mainly Asian work force, and the right to strike.

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## Irish Government expected to press for sanctions after judgment of European court in October

From Christopher Walker  
Dublin

The strains imposed on Anglo-Irish relations by the Flannan Fall election victory will be increased in the autumn when the European Court of Human Rights delivers its long-awaited verdict on allegations of torture against British soldiers and policemen in Ulster.

It is widely expected that the court will back the original findings of the European Commission and pronounce Britain guilty of breaching article three of the Convention on Human Rights. A verdict is expected early in October.

The judgment will then be referred for consideration by the Committee of Ministers of the Council of Europe, and will move from the legal to the political area for the first time in its sixteen history.

As the most traditionally republican of the main political groupings and as the party which first instigated proceedings against Britain in 1971, Flannan Fall is thought certain to press hard for any court decision to be backed by sanctions.

During the public hearings in the spring the Irish coalition Government pressed the European judges to support its call for legal action against members of the British security forces involved in the allegations.

It also called for legislation to guarantee the rights of the Roman Catholic minority in Ulster. Both those moves had the enhanced support of Flannan Fall. One official commented: "There will be no debate in our conference to be discussed before the court.

High on the agenda will be the request for classification of Lynch's weekend call for a new British initiative in Ulster. An attempt also be made to assess the extent of his party's commitment to this case when the judgment is given.

## ME NEWS

## Just will back those to want to keep out of trouble

Speakers from the London Borough of Haringey said that of 500 children passing through their intermediate treatment programmes since November, 1972, 67 per cent had not reoffended while on the programme.

Mr Engals, Secretary of State for Social Services, said the trust in London at a seminar by more than 300 workers, teachers, police and magistrates.

Intermediate treatment, prescribing a wide range of services for children at risk, trouble, needs people, has money. Mr Engals said some needed a building or a garden shed, or a boat, as a base. The Government would help capital costs. The trust will be run in conjunction with an existing grant-giving trust, and will run the scheme in the same way as grant-financed Fad for handicapped is administered by the Royal Trust.

Officials also told the committee that the Government would conduct research into the effectiveness of intermediate treatment compared to residential care. Resources are increasingly being switched to intermediate care to intermediate treatment.

Mr Engals' view is that intermediate treatment is more at keeping children trouble than bursaries, in centres and the approved schools was by various speakers.

## ve to plug in Misuse Drugs Act

Home Affairs

Speakers from the London Borough of Haringey said that of 500 children passing through their intermediate treatment programmes since November, 1972, 67 per cent had not reoffended while on the programme.

Of those given some continuing support since they had ended participation in intermediate programmes, 82 per cent had not reoffended, and 70 per cent of those given no further support had not reoffended.

Other speakers painted a picture of the reconviction rate among children released from former approved schools had been 65 per cent, and former borstal trainees had a similarly high reconviction rate. Chief Supt. Mary Wedlake, of the Metropolitan Police, said the police welcomed intermediate treatment, particularly because of the scale of juvenile crime in London.

Last year more than 34,000 children between the ages of 10 and 16 were referred to juvenile bureaux in London, having committed between them 59,701 offences. More than a thousand had committed violent assaults, seven resulting in death, 900 were guilty of thefts, including robbery with violence, and 6,000 had committed burglaries.

More than half had offended before, and the bobby on the beat is entitled to ask what society is doing about these recidivists, he said.

Between October and December, 1976, a further 147 children, aged between seven and 10, were involved in what Supt. Wedlake described as "quite serious crime". One had taken and driven away a double-decker bus.

## Pickets fail to disrupt newspaper

By Christopher Thomas, Labour Reporter

Many journalists picketed the offices of the Northern Echo in Darlington yesterday in another unsuccessful attempt to disrupt distribution of the newspaper.

They were protesting at the appointment of Mrs Josephine Kirk Smith, a sub-editor on the Darlington and Stockton Times, who has refused to join the National Union of Journalists but has joined its rival body, the Institute of Journalists. The management say they will not concede a closed shop for editorial staff.

The 106 journalists employed by North of England Newspapers, part of the Westminister Press group, have gone on strike over the issue. Inconclusive talks were held between management and staff at the group's London office yesterday and another meeting is planned today.

London staff are trying to prevent the distribution of their reports to North of England Newspapers. The London office was picketed by about forty people yesterday.

## of Russian vases sold for £14,000

By Norman Conquest

Icons and nineteenth-century Russian works of art, £100 at Sotheby's yesterday, a pair of ornate vases more than four feet high, and with hunting scenes, £1,400, and a porcelain figure of a man, £14,000. The highest priced icon was a mid-sixteenth-century Korsun Mother of God, £120 by 10in. and £5,600 (estimate £2,000 to £3,000). Ferdinand Georg Waldmüller, the great Austrian painter, who was represented by Phillips's yesterday with a portrait of a young boy in a woodland glade, it was sold for £15,300 to Terry Engel (estimate £8,000 to £12,000). It is dated 1837 and is the portrait of Count Esterhazy. The owner brought it to the auctioneer believing it to be a print; it was under class and obscured by a grime of years. It is a small painting, measuring 38 cm by 30 cm.

Two marine paintings by He

## 'Every child in North' waves at the Queen

By Penny Symon

Manchester

As the Queen's car swept through the streets of Lancashire and Greater Manchester yesterday it seemed as though every child in the North had come to see her. Lining the pavements, sporting all varieties of uniform, waving their flags and cheering, they were everywhere, tens of thousands of them.

Their teachers were earnestly conducting choruses of the National Anthem; but, as is often the case when children have been waiting a long time for something, as soon as the royal entourage passed, the children began to hit each other with their flags, accompanied, of course, by even more and louder yelling.

The day began in Lancaster. After a short walk through the Market Square, where children darted out from the crowd bearing home-made posies, the Queen and the Duke of Edinburgh suddenly seemed to veer into the entrance of the New Moon Chinese restaurant. They had gone up a narrow street to see conservation work carried out on an eighteenth-century building by the Landmark Trust.

Miss Olive Parkinson, 77, from Morecambe, excitedly showed the Queen a picture of Queen Victoria. It had been presented to Miss Parkinson's brother-in-law's father, a former grocer at Windermere, by the Queen during the diamond jubilee in 1897.

In Preston the Community Council of Lancashire had mounted an exhibition depicting voluntary action in the county over the past 25 years. Mr Ronald Carter, a blacksmith from Burnley, presented the



Flower power: Sarah Richardson, aged seven, presenting a red rose to the Queen at Lancaster yesterday. The royal party is to visit Merseyside today.

Queen with a set of wrought-iron fire dogs. They will go to Wood Farm, on the Sandringham Estate.

Students from Blackpool College of Technology and Art had contributed some modern items, including three drawings of a squeezed toothpaste tube.

Another exhibition followed, this one of export-bearing items, British Aerospace, formerly the British Aircraft Corporation, exhibited £3.5m worth of aircraft.

Wigan saw the Queen only fleetingly as she drove from the station on her way to the more prosperous town of Leigh, where drama students were performing mystery plays in the town square. Some derelict buildings opposite had been demolished a few days ago.

After lunch at the County Hall, which cost guests £5 a head, the Queen went to Wigan. The area is suffering badly from dereliction and loss of jobs in the manufacturing sector. Wigan wants development area status; a delegation met Mr Varley, the Secretary of State for Industry, last week.

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A garden party at Trafford, where there had also been some refurbishing, followed. The entourage was a few minutes late, because it turned off the motorway rather too soon.

At Manchester town hall the Queen saw her portrait by Michael Noakes, which had been commissioned by local industrialists to commemorate the town hall's centenary.

Today the Queen is in Greater Manchester again, and she then travels to Merseyside.

Unveiling: Princess Anne returned yesterday from a short visit to America, where she unveiled a bronze statue of her ancestor, Queen Anne, in Queen Anne's County, Maryland.

## Lord Ryder 'saw land deal as probably unique in a lifetime', director says

From Michael Horsfall

Chelmsford

Lord Ryder, of Eaton Hall, chairman of the National Enterprise Board, regarded the vastly profitable Bewbush land deal in Sussex in 1972 as a probably unique in any lifetime, an ageing managing director told the police, the prosecution said at Chelmsford Crown Court, Essex, yesterday.

Lord Ryder, then Sir David Ryder, chairman of Reed International, agreed to the deal, which later gave three estate agents a fifth of the net profit, the alleged statement had added.

A 617-acre estate was sold in November, 1972, by Tedfield Ltd, a company set up by Reed International and Broadland Properties Ltd, property developers of Scarborough, for £3,250,000. Part of it was resold about five months later, for £7m to Crawley Borough Council.

The Bewbush land deal and Lord Ryder's part in it were mentioned in the trial of two men accused of conspiring to defraud the owner of another estate, the 320-acre Tedfield Stud Farm, near Horsham, Sussex.

The Bewbush deal is not the subject of charges but the two accused, John Guthrie, managing director of Broadland, and Derek Ritchie, an estate agent, were said by Mr Michael Eastham, QC, for the prosecution, to have been involved in it. Both men and Broadland Properties have pleaded not guilty to two charges of conspiring to defraud over the Tedfield deal.

The prosecution said that in a statement to the police in 1975, which was read to the court, Mr Guthrie, aged 65, said Weller Eggar and Co, estate agents of Horsham, of which Mr Ritchie was a former partner, were engaged to sell the Bewbush estate for Mr Lionel Brooks, the owner.

Mr Guthrie said in the alleged statement that much of the Bewbush estate lay in an area approved by the West Sussex County Council in July, 1972, for Crawley urban district short-term land release, and that it had considerable "hope"

value. Weller Eggar, agents for both transactions, interested Reed International in the deal.

Weller Eggar were instructed by Mr Brooks to seek a cash offer of £3,500,000. Reed International and Broadland Properties put in a joint bid of £3,250,000, and that was accepted on August 16, 1972.

Mr Guthrie had said: "On August 16, 1972, I and Sir David Ryder, and we mutually agreed that we could work together, and that . . . it seemed a reasonable commercial proposition."

Mr Ritchie, Mr John Smith and Mr Christopher Smith, all partners of Weller Eggar, were to receive a 20 per cent interest in the net profit of the transaction, in addition to their firm's basic commission on any resale.

It was later arranged, the alleged statement said, that a partnership would consist of 50 per cent to a pension fund of Reed International, 35 per cent to Broadland, and 15 per cent to the Namdang Tea Company, a company in which the Guthrie interests had a majority interest.

On February 2, 1973, negotiations were concluded for the sale of part of the land to Crawley Urban District Council for £7m and completion was on March 1.

The prosecution also said that in a statement to the police in March last year Mr Ritchie said that Mr John Smith told him in the presence of Mr Christopher Smith (Mr Smith's son) that Mr Brooks had agreed to Mr Smith taking two shares of control.

If, as a result, he made any profit, he proposed to give a share to Christopher Smith, some of which would be passed to Mr John Smith's daughter.

"John Smith went on to say that he would also like to include me in any benefit he might receive, and proposed to give me a quarter share of any profit", the alleged statement said.

Mr Ritchie had added: "It never occurred to me, then or later, that I should ask John Smith to supply me with proof of Mr Brooks' approval."

The trial continues today.

# PAN AM'S PEOPLE KEEP FLYING

A disagreement between the Governments of Great Britain and the USA could result in a ban from midnight tonight, on all direct flights by British and American scheduled airlines between Britain and the USA.

Despite this, Pan Am are determined to protect the interests of passengers and cargo shippers and we will get you from London to your destination with the minimum of fuss and *at no extra cost*.

Without changing your ticket, you will be able to take advantage of pre-arranged connection services via Brussels and Amsterdam which will

enable you to fly from London to New York, Boston, Detroit, Washington, Seattle, Portland, San Francisco and Honolulu on big comfortable 747 Clusters. No government formalities or clearances will be required when making the connection and your baggage will be automatically transferred to your onward Pan Am flight. For passengers on our Round the World flight, connections are available at Frankfurt.

Naturally, we hope the disagreement will be resolved as soon as possible. Meanwhile, the schedule below will give you details of the arrangements we've made in order

to offer you the best possible service under these unfortunate circumstances.

Using the following guide, all passengers travelling via Amsterdam should check in at Pan Am's terminal at Semley Place, Victoria or at Pan Am counters, Terminal 3, Heathrow Airport.

For passengers travelling via Brussels check in at Gatwick or Victoria BR Railway Station for train departures.

**PAN AM**  
50 years of experience.

Destination	Flight No.	New check-in time Semley Pl. Heathrow	Routing via	Arrival time at destination
USA				
BOSTON	PA 055	0710 0810	AMSTERDAM	1355
DETROIT	PA 055	0710 0810	AMSTERDAM	1720
HONOLULU	PA 121	0850 0950	AMSTERDAM	2205
NEW YORK	PA 103	0710 0910	AMSTERDAM	1355
NEW YORK	PA 001	1130 1230	AMSTERDAM	1910
PORTLAND	PA 125	1130 1230	AMSTERDAM	2045
SAN FRANCISCO	PA 121	0850 0950	AMSTERDAM	1705
SEATTLE	PA 125	1130 1230	AMSTERDAM	1755
New check-in time Victoria BR Train departure Gatwick				
DESTINATION	FLIGHT NO.		ROUTING VIA	ARRIVAL TIME AT DESTINATION
NEW YORK	PA 101	0944 1100	BRUSSELS	1705
WASHINGTON	PA 107	0606 0700	BRUSSELS	1335



## HOME NEWS

## Assembly suggested for England well

Our Own Correspondent  
Tired devolution, with an English for England as well as for Scotland and was advocated yesterday. Malcolm Rifkind, Conservative MP for Edinburgh, who resigned from opposition from time to time against the reading of the Scotland Bill.

King in Edinburgh, Mr. Pym said that he had put forward proposals to Mr. the Government's chief minister, and to Mr. Pym, the Tory spokesman on the subject.

It is undesirable, impossible, and ultimately undesirable to devolve parishes and government for England, but no for England, where the population live.

would be impossible to the powers and the Scottish, Welsh and MPs at Westminster after all, and the British Parliament would be increasingly an English Parliament certain "imperial" for other parts of the Kingdom. "This is for a constitutional

one, he said.

He had shown virtually to be carved up into regions. Unless and unless did, it would

impose such a national revolution for the sake of Scotland.

A different would be an assembly, which, in would mean home rule

land. Such an assembly would have the same powers as proposed for Scotland in

terms of education, house

reform, health, local

and transport.

would determine its own

without any danger

of Welsh votes

the result. It would

possible substantial dev

o Scotland and Wales

lanced and undistorted



Mr Harry Loman, aged 96, who is retiring on Saturday after 22 years as stage-door keeper at the Criterion Theatre, London.

## Judge warns rape boy on pornographic magazines

Mr Justice Jupp, at Leeds Crown Court yesterday ordered a boy aged 15 who admitted raping a girl of 12, to be detained for three years. He told him: "If you take my advice, you will never look at a pornographic book again in your life. It leads to crime."

Again, and again, he had

seen where this is the excuse."

Senior Michael Wilmet, aged 17, to Borsell, after the boy had admitted an offence of rape and offence of dishonesty, the judge said: "You have a good deal more intellect than a dog, but a dog behaves itself because it is obedient to its master. Obedience, will keep you out of trouble."

## Cigarette fine cut from £300 to £10

A £300 fine for handling a cigarette valued at 3p taken from a man attacked by two youths, was excessive, the Court of Appeal decided yesterday.

They cut in £10 the fine imposed on Peter William Webb, aged 18, of Spackmans Way, Chalvey, near Slough, Buckinghamshire, at Reading Crown Court on November 10.

## Man freed to be with dying wife

John Brotherton, aged 51, was freed by the Court of Appeal yesterday from an 18-month jail sentence to spend the last days of his dying wife.

Mr Brotherton, of Buck Lane, Haslemere, Surrey, was released after the court was told that Mrs Brotherton, suffering from terminal cancer, would die unhappy if he is not released.

## Irish nationalist passions founder in ebbing tide of devolution

is a grand old building in Cardiff where, the said, Welshmen need to manage their affairs. The Government, a 10-year lease on land and paid design-builders £255,000 for

work on it. But its splendid oaken is silent and dark, never Mr Foot says.

Devolution minded in now believe this can bring sound to it.

Notes the "devolution turned out, after all, leap and not a spring, building as so often in history, a monument to have been

obliged of the original

plans, and now the the prospects for plans are bleak, cer

regards Wales, leaves

revolutionists dismayed

feeling that, if

Government, there a Devolution Bill each land and Wales; that

it will be made to run

incurably in the Com

that the Welsh Bill

the wayside.

It is an election and a of control, devolution in Wales (and anti

to their im

Wales will get from

revolutionaries is an elected

Wales' Liberal and Plaid

are all in the broad

camp; the Tories, and the country land

are against.

attitude has been

called for an assembly

acceptable to a

arguing and debating patiently changing

many Labour men,

commitment to devolu

long standing: Mr

Secretary of State for

example, has been a

devolutionist since

six days.

The Labour Party and

the issue has also

deep suspicions and

opposition. The case

has usually been

champions on practi

than an assembly

ministry, improve

and social conditions

the gap between go

governed.

However, the man

ised the question of

and the relationship

the United King

is a tender part of

psych.

anti-devolutionists

the devolved case for

assembly. They have

## Regional report

## Trevor Fishlock

Cardiff

rather, tended to concentrate on the costs of an assembly, and on the supposed damage it would do to the Wales-England relationship: the famous "slippery slope". Also cited has been the Welsh people's boredom with the issue.

That sort of opposition has been fairly effective, and devolutionists might reflect that they have no done enough in first imaginings and educating on a larger scale.

There was, and remains, a gap between those excited by devolution and a large area of the public that has not so far been much interested. Certainly the Labour Party, which bills itself as the only party that could give Wales an assembly, failed to counter the gut-reaction misgivings among its own people, and among some of the English MPs.

The anti-devolutionists always pointed to the uncertainty of the Welsh public. It is difficult to gauge popular feeling, but the best guides estimate that a third are for an assembly, a third against and a vital third "don't know".

Within the Welsh Labour Party the devolution case has gained in strength; but the party, to its disappointment, has never convinced some of its members, and six Welsh MPs remain implacable opponents of the party policy.

The nationalists, whose long-term aim is self-government, saw Labour's devolution ideas as an important step; now were they alone in their belief that any self-respecting assembly is too pressing for the matter to die.

## Denials on opposition to 'free' Scotland in EEC

By Our Political Correspondent

The Scottish National Party has released the text of letters from leading European politicians to contradict a recent statement by Mr Ian Dalyell, Labour MP for West Lothian, that the politicians were totally opposed to an independent Scotland within the EEC.

After Mr Dalyell had named 16 EEC politicians and attributed certain views to them, Mr George Reid, Scottish National Party MP for Stirlingshire East and Clackmannan, asked them to confirm or deny the statements, "otherwise they will be widely disseminated by the anti-devolutionists".

M. Pierre Philibert, a former French Prime Minister, and Mayor of Strasbourg, said in a letter to Mr Reid: "I do not recall ever having formulated an opinion on the question raised by Mr Dalyell. I suppose, therefore, it has arisen from a misunderstanding."

Signor Mario Scelba, a former Italian Prime Minister, said in his reply to Mr Reid, after noting that Mr Dalyell had apportioned the statements attributed to him: "I assure you that I not only did not make the statements attributed to me,

but that I have not had occasion to speak to anyone at all about the Scottish problem, that terms of which are unknown to me."

Mr. Joop den Uyl, Prime Minister of Holland, and Mr Laurens Brinkhorst, State Secretary, had been quoted by Mr Dalyell as saying that the Scots could do as they pleased, but The Netherlands would not welcome the Scots as a separate entity, as such a development would not serve twentieth-century Europe.

Mr den Uyl wrote to Mr Reid: "We have never been approached on the problem you mentioned". Mr Brinkhorst wrote in similar terms.

Mr Gaston Thorn, Prime Minister of Luxembourg, wrote about the opinion attributed to him by Mr Dalyell: "As printed without prior check-up, for which he has apologized".

Mr Dalyell has replied: "In

spite of what George Reid has

said, these discussions did take

place, but understandably, since

national governments in the

Community have never really

contemplated the problem, indi

vidual politicians are unwilling

to be held to answers which

have not been discussed with

their colleagues."

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Italian Prime Minister, said in his reply to Mr Reid, after noting that Mr Dalyell had apportioned the statements attributed to him: "I assure you that I not only did not make the statements attributed to me,

## Fewer Scots drink cases despite pub change

Drink and driving offences in Scotland have fallen by a fifth since public houses were allowed to stay open for an extra hour. Mr Ewing, London, Secretary of State for Scotland, said yesterday. The number of breaches of the peace had fallen by 5 per cent and convictions for being drunk and incapable by a tenth.

He added: "It may be claimed that the extra hour has not resulted in an orgy of crime caused by drinking. All the predictions about people in Scotland going mad over drink have proved to be totally unfounded. It gives me the greatest pleasure to note that Scots have approached the new driving laws with responsibility."

Under the Licensing (Scotland) Act, Scotland's 4,000 public houses, previously restricted to 10 pm closing, are able to remain open until 11 pm. From October their owners will also be able to apply for Sunday opening.

Mr Ewing said a survey showed that now, instead of going to the public house at about 10 pm, people were going to go at about 8 pm. That meant many had eaten a substantial meal before going to the public house instead of only a sandwich.

Mr Ewing added, however:

"People are still drinking the same amount, but over a longer period."

## NHS funding method a 'negation of planning'

By Robert Parker

The present method of allocating money to the National Health Service amounts to a negation of planning, according to a consultant who has carried out a private investigation of the funding of the district in which he works.

Mr W. D. Hayley, consultant in rheumatology and rehabilitation at Southend Hospital, Essex, has produced his results at a time when the Government is trying to spread resources more evenly in the health service and remove some of the huge provision differences.

Figures he has assembled for the Southend district, Essex, and the North-east Thames region, like other Thames regions, is one of the better off in the country in terms of expenditure per head.

Development in the four London regions is now held at a standstill, while less well off regions such as the North-west are being allowed to grow in real terms by nearly 3 per cent.

The Department of Health and Social Security allocates money each year to the regions, each region then allocates it to areas, and each area to its districts.

The North-east Thames region is a good example, however, of the differences in provision that occur within regions.

Essex is one of the worst provided areas in the region, and Southend, according to Mr Hayley's figures, the worst provided district. Yet Essex and Southend will suffer as the region to which they belong has its growth held back in allow other regions to catch up.

In the case of the Southend district, Mr Hayley says that it provides poor services because it is underfunded. The Essex area also argues that it is underfunded.

Both Southend and Essex are likely, however, to be faced with loss of beds and services in the next year or two, although they have been hoping for more money as a result of the Government's reallocation exercise.

## In brief

## Boat destroyed by protesters

An animal protection group who destroyed a fishing boat in the Wash early yesterday in a double arson attack were being sought by the police.

The group, who said they were the Luminar Fringe, said they would go to any lengths to stop seal culling.

## Historic relic damaged

The superstructure of the Carfax conduit, which brought water to the centre of Oxford in the seventeenth century and is now at Newnham Courtenay, has been extensively damaged.

Restoration completed last year cost £32,000.

## Temporary bridge

A temporary road bridge is to be erected on the A43 at Bulwick, Northamptonshire. Police closed the existing bridge when large cracks appeared after heavy flooding during last week's storms.

## Angling record

A 10lb 2oz rainbow trout, claimed to be the largest ever caught by a woman in England, has been landed by a London angler, Maggie Vaux, at Avington, near Winchester.

## Damages for journalist

## WEST EUROPE

## EEC official's apology for strictures on Britain's food policy

rom Michael Hornby

Luxembourg, June 20

Mr Finn Olav Gundelach, the EC Commissioner for agriculture, apologized here today to Mr John Silkin, his opposite number in the British Cabinet, for having suggested that strictures made by the British minister in support of a policy of national self-sufficiency in food contravened EEC legislation.

Commenting ironically on Mr Gundelach's apology Mr Silkin said: "I am relieved to hear that my speeches do not have to be vetoed by the European commission." He considered that the matter was now closed as it had not been trivial, and had raised an important point of principle.

The contretemps was caused by a letter from Mr Gundelach last week which suggested that British policy ran counter to an EEC directive, dating from 1969, forbidding measures that encourage, require, or give preference to the purchase of domestic products only.

What particularly stuck in British minds, however, was the further suggestion in the letter that while public spending ministers might not legally fall within the scope of this directive, they were of concern to the Commission as being indicative of a consistent line of government policy.

Mr Gundelach claimed here tonight that he had signed the offending letter without reading it properly because he had assumed it to be a routine

communication on administrative matters. He regretted the tones in which it had been couched, and particularly the suggestion that British policy was in any way "illegal".

Nonetheless, Mr Gundelach took issue with Mr Silkin over the issue of self-sufficiency. The Commissioner said that this was not a policy which showed "a healthy Community spirit", and while he was sorry about the letter there were "limits to my regrets".

Earlier, Mr Silkin had told journalists that he considered the objective of self-sufficiency to be a perfectly proper one for Britain to pursue and wholly compatible with the EEC's common agricultural policy. He also pointed out that it had been a British objective since the publication in early 1975 of the Government's White Paper *Food From Our Own Resources*.

In his reply to Mr Gundelach he had "explained to him what the position is in our country", and he hoped that that would be the end of the matter.

The main item on the agenda of today's meeting of ministers of agriculture was a discussion on a proposal which would give the European Commission the power to make selective reductions in the border taxes and subsidies applied in EEC farm trade in beef, pigmeat and cereals, subject only to the approval by majority vote of the relevant management committee.

The proposal is not expected to get very far.

## Basques deny reported death of hostage

From Harry Debelius

Madrid, June 20

The police scoured the forested mountains near the Basque city of Vitoria today searching for the body of a kidnapped industrialist believed to have been murdered by his kidnappers.

A Bilbao radio station had received a letter, purportedly from a rogue squad of the Basque separatist organization ETC, saying that the kidnapped man, Señor Javier de Ybarra, had been killed on Saturday afternoon, after the deadline set for payment of the ransom had run out.

The letter, which did not bear the seal of ETA, was left in the doorway of a block of flats in Bilbao. An anonymous telephone caller told reporters at the Roman Catholic radio station, Radio Popular, where the ransom had been paid.

Doubt was cast on the authenticity of the death report late today, when Basque newspaper offices and the Ybarra family received anonymous

telephone calls in which they were told by a male voice that the message delivered to Radio Popular was false.

Señor de Ybarra, father of 11 and president of the Spanish subsidiary of Babcock & Wilcox, was abducted from his home on the outskirts of Bilbao a month ago. His kidnappers reportedly asked for 1,000,000 pesetas (more than £500) at first.

Basque sources said that, after secret negotiations, his family had deposited 250,000 pesetas with a Swiss bank as ransom.

Uncertain whether the latest communication was a hoax, a lure to a trap or the truth, police forces moved into the area where the note said that the body would be found.

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## Owen will return to southern Africa when proposals for Rhodesia independence are ready

id Spanier  
ic Correspondent  
wan, the Foreign Secre  
pects to return to  
Africa this summer to  
his efforts to obtain  
ment in Rhodesia. "I  
as soon as it is possible  
ent a balanced, fair  
for an independent  
ve," he said yesterday.  
package of proposals,  
was presented, would  
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and United States Gov  
Dr Owen said.  
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in London. Any  
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Africa for decades to  
Dr Owen said. The  
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mique. "I think a lot of what was  
the conference was o. He applauded." He  
"I myself feel very  
about the abuse of  
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5 minutes, was given  
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## Afrikaans writer faces jail escape charges

From Nicholas Ashford  
Johannesburg, June 20

Mr Breytenbach, the  
Afrikaans writer who is serving  
a nine-year sentence under  
the Terrorism Act, today  
pleaded not guilty to 17 fur  
ther charges under the Ter  
rorism Act, the Prisons Act  
and the Riotous Assemblies Act.

Mr Breytenbach appeared in  
the Pretoria Supreme Court before Mr Justice Boshoff,  
who is acting Judge President  
of the Transvaal. The case was  
adjourned until Thursday at  
the request of Mr Breyten  
bach's counsel to enable the  
defence to study 164 tape

recordings of conversations Mr  
Breytenbach allegedly had with  
a prison warden in Pretoria  
central prison, where he has  
been held since being sen  
tenced in November 1975.

The main charge against Mr  
Breytenbach is that between  
April 17 and October 19, 1976,  
he furthered the aims of the  
Okhela organization, the  
"white" wing of the banned  
African National Congress, to  
overthrow the South African  
Government by force. He is  
also accused of persuading Mr  
Pienie Groenewald, a prison  
warder, to join Okhela, of  
planning to escape from Pre  
toria prison and of outlining  
to Mr Groenewald proposals for a  
campaign of urban guerrilla  
warfare in South Africa.

The state's star witness will  
be Mr Groenewald. Mr Flip  
Jacobs, the prosecutor, said he  
had been recruited by Mr  
Breytenbach but had later  
become "scared" and reported  
Mr Breytenbach's activities and  
his own to his senior officers.  
He had been told to continue  
his contacts with Mr Breyten  
bach and their subsequent con  
fession.

versations had been recorded  
and would be used as evidence.

According to the prosecutor,  
Mr Groenewald had numerous  
letters and carried letters and  
other documents for him  
which were addressed to  
members of the Okhela organ  
ization. Mr Breytenbach had  
planned to arrange for Mr  
Groenewald to go to the Soviet  
Union for training.

Mr Breytenbach had later  
told Mr Groenewald of his  
escape plans in full, had soli  
cited his help and asked him to  
make arrangements for him to  
travel first to Botswana and  
then to an overseas country.

Mr Breytenbach, it is  
alleged, asked Mr Groenewald  
to deliver a letter to another  
prominent Afrikaans writer,  
Mr Andre Brink, requesting a  
£200 loan. He intended to use  
this money to buy a gas pistol  
to use during his escape.

Mr Breytenbach is also  
alleged to have instructed a  
warder in Okhela's security  
measures and codes and to  
have urged him to carry out  
acts of urban guerrilla warfare,  
such as setting fire to build  
ings, blowing up roads and kid  
napping public figures.

In another trial in the Pre  
toria Supreme Court, 11 men  
and one woman al. faced a  
number of charges under the  
Terrorism Act.

The 12 — purportedly  
members of the African  
National Council (ANC), the  
South African Communist  
Party and the ANC's military  
wing, Umkonto We Sizwe  
(Spear of the Nation) — alle  
gedly conspired with 47 other  
people to commit sabotage,  
military training, arms smug  
gling and to distribute subver  
sive propaganda. All 12 have  
pleaded not guilty.

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Space view of the Rockies: This striking  
view of the Rocky Mountain Trench, British Columbia, from a height of 560  
miles, is from a new book of images trans  
mitted by the National Aeronautics and  
Space Administration's Landsat earth  
resources satellite. It shows an area  
measuring about 115 miles by 115  
miles. The Fraser River bisects the  
picture. It flows into Moose Lake  
(bottom right) just west of Jasper,  
Alberta, which is off the image. The valley  
occupied by the Fraser River is a small  
part of the trench, a great fault zone over  
1,500 miles long, that extends from Alaska  
to Montana. The book, *Mission to Earth: Landsat Views the World*, which contains  
some 400 images, is published by the  
United States Government Printing Office,  
Washington. Price \$14.

## Bubble bath of words in Belgrade

From Richard Davy  
and Dessa Treviran  
Belgrade, June 20

The 35th meeting here  
which is preparing for the  
review of the Helsinki agree  
ment in the autumn, is now  
sinking comfortably into a  
bubbly bath of words, where it  
is likely to remain submerged for  
several weeks.

Minute differences in  
phonology, discussed anxiously  
in the corridors, establish a  
wide range of positions.

The Russians want a  
permanent agenda for the  
autumn meeting, consisting of  
little more than one item which  
would enable anyone to talk  
about or avoid anything. The  
Europeans want a carefully  
itemized agenda which will en  
sure an "organic flow" from  
one to the other. A draft is  
not expected to be ready until  
Wednesday.

It can be inferred that the  
Russians wanted to avoid any  
public sessions whatever in the  
autumn meeting as well as any  
reference of work to committees.  
They wanted a brief, closed plenary session with  
minimal opportunity for decla  
matory speeches, detailed scrutiny of  
the record, or elaborate new  
proposals.

The West will not agree to  
this, nor will the neutral and  
non-aligned countries.

The neutrals and non-aligned  
countries had a meeting today  
at which they discussed a  
possible compromise which  
would lump together implementa  
tion and forward-looking pro  
posals in one agenda item but  
mention them separately and  
propose an "organic flow" from  
one to the other. A draft is  
not expected to be ready until  
Wednesday.

The Russians today showed  
coolness towards the obligation  
to discuss further follow-up  
meetings, which presumably  
reflects their unhappiness with  
the way things have gone since  
Helsinki, although the con  
ference was originally their  
idea.

## Agreement closer on Atlantic air services

By Arthur Reed  
Air Correspondent

Continued progress was made  
by British and United States  
Government officials towards a  
new Bermuda north Atlantic air  
services agreement in London  
yesterday.

The existing agreement  
expires not at midnight tonight  
but at midnight tomorrow, giving negotia  
tors more time. It was cancelled  
by Britain on the grounds that  
it favours American airlines.

The main point at issue, as  
the negotiators have met in  
continuous daily sessions over  
the past few days, has been the  
number of seats which each  
airline should offer.

Each side has threatened to  
block the other's air services if  
a new agreement is not  
reached by midnight tonight.

British Airways, carrier of  
large display advertisements in most  
London daily newspapers yester  
day, promised to get passengers  
to the United States if  
the agreement was not renewed.

They gave a list of 12 daily  
flights which, instead of going  
to United States cities, would  
divert to Montreal, Toronto or  
Nassau.

Both American were under  
stood to have advertisements  
ready, but were delaying publica  
tion as long as possible to  
await confirming passengers.

Trans World said "they had  
no plans to advertise,  
intending to inform passengers  
of changes in schedules through  
their reservations staff."

## Mr Begin fails to win Yadin party support

From Moshe Brillant  
Tel Aviv, June 20

"Should this plea meet with  
refusal, we shall take note of  
the Arab intransigence," he  
said.

Mr Begin spoke of deepening  
friendship with the United  
States and said he was  
interested in normalization of  
relations with the Soviet Union  
if Moscow took the initiative.  
But he said Israel would lay  
down conditions, including the  
release of more Zionist  
prisoners and permission for  
all Jews wishing to come to  
Israel to do so.

Professor Yigal Yadin, the  
DMC leader, said Mr Begin  
in the coalition negotiations,  
had insisted that the electorate  
had voted against territorial  
compromise. Professor Yadin  
said this was not true and  
there was evidence that Mr  
Begin's own party was willing to  
compromise in order to  
achieve a true peace.

Mr Peres said Mr Begin had  
rejected the DMC as coalition  
partners because he feared they  
would soften his foreign policy.  
He said Mr Begin had been  
willing to allow the Liberal  
Party within the Likud  
alliance to have its way in  
economic matters and he would  
make far-reaching concessions  
to the religious parties so  
long as they gave him a free  
hand with national policy.

He said Mr Begin's hard  
line would lose support abroad  
if the economic programme would  
cause unemployment and  
concessions to the National  
Religious Party, such as non  
recognition of conversions to  
Judaism by reformed rabbis,  
would lead to a confrontation  
with Jews abroad.

## Watergate prosecutor closes his office

From Patrick Brogan  
Washington, June 20

The Watergate Pro  
secutor's office is closing down  
this week. Its files have been  
packed and are being shipped  
off to the archives. Its staff is  
dispersing and Mr Charles  
Ruff, the prosecutor, is vanishing  
into the Department of Health,  
Education and Welfare.

He is the fourth prosecutor.  
The others, in chronological  
and descending order, were  
Professor Archibald Cox, Mr  
Leon Jaworski and Mr Henry  
Ruth.

It is not altogether a co  
incidence that the last two  
Watergate criminals, Mr John  
Mitchell and Mr H. R. Haldeman  
(who were also the most  
senior government officials  
prosecuted during the affair)  
go to prison on Wednesday. It  
is a coincidence that the office  
is being wound up almost  
exactly five years after the  
event that started it all, the  
Watergate burglary on June 17,  
1972.

Mr Ruff gave an interview to  
Bob Woodward of The Wash  
ington Post a reporter who  
himself played a considerable  
role in the early months of  
the Watergate affair.

The office did not find all  
the answers to the Watergate  
mysteries. It did not discover,  
for example, who erased 10 and  
a half minutes from one of the  
Watergate tapes. It lost several  
of its prosecutions, however,  
clearing up the Watergate affair  
itself, and thus it contributed so much to pur  
suing the American political  
system that Mr Ruff leaves  
the office convinced that there is  
no need for a permanent special  
prosecutor to check on the  
Government. The Justice  
Department can do that, he says.

## Storm kills three

Madrid, June 20.—Three  
people were killed and one was  
seriously injured near La Fel  
guera, in Asturias, during a  
violent thunderstorm, the police  
said yesterday.

## Stepping Stones—Non-Secretarial—Secretarial—Temporary & Part Time Vacancies—

### SECRETARIAL

#### SECRETARY

on (Piccadilly) Ltd., have a vacancy for a Secretary  
Finance Director. The successful applicant will have  
secretarial skills and experience in the financial  
or fiduciary field.

salary £1,250 per annum, plus  
25% discount on personal purchases, subsidised  
facilities, 4 weeks holiday per annum, pension and  
S.P.A. schemes.

details in writing giving details of education and ex  
perience should be sent to the Personnel Executive,  
M (PICCADILLY) LTD., 34 Jermyn Street, London,

S.C. 10000. Tel: 01-834 2000.  
A new position is available for a Secretary  
to a well known firm in the City of London.

salary £1,250 per annum, plus  
25% discount on personal purchases, subsidised  
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### SECRETARIAL

#### P.A. SECRETARY

Required for the Business Office  
Manager of this new Private  
P.L. side of the job, but dues  
will be paid to the P.A. side.  
Salary £1,250 per annum, plus  
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## OVERSEAS

## Cubans played important part in suppressing Angola uprising started by purged MPLA leaders

From Michael T. Kaufman  
Nairobi, June 20

Despite a news blackout imposed by the Angolan Government it is becoming evident that an attempted coup in Luanda last month was a serious uprising which involved army units, left many dead and disturbed the precarious unity of the ruling Popular Movement for the Liberation of Angola (MPLA).

From the scripts of monitored radio broadcasts it appears that Cuban units played an important role in suppressing a challenge to President Neto on May 27, when the insurgents were able to seize the government radio, free political prisoners and drew support from an armoured brigade.

The uprising came as the MPLA, with the help of the thousands of Cuban troops, was seeking to contain nationalist lackeys of independence.

"Little is known of Mr van Dunen but Mr Alves was a prominent military leader of the MPLA forces who has had close ties with the Soviet Union, which he is known to have visited recently.

On the other hand, there have been reports for months that Mr Alves and the wing of the movement he represented were less than delighted with the continuing presence of Cuban soldiers. These reports said it believed that reliance on Cubans inhibited development of Angolan nationalism and self-esteem.

On May 26, a leading article in the party newspaper praised the President for purging the two men, alleging that they had been acting as "disloyal lackeys of imperialism."

"A leader of the revolution" Little is known of Mr van Dunen but Mr Alves was a prominent military leader of the MPLA forces who has had close ties with the Soviet Union, which he is known to have visited recently.

Then at 10.20, a song was suddenly interrupted. According to the Agence France-Presse correspondent in Luanda, the station was recaptured by pro-Government forces backed by Cubans. At 10.45, the radio announced: "Forces faithful to comrade President Agostino Neto again control our station. Long live comrade Agostino Neto."

### US support for world food security

Manila, June 20.—The United States today supported the establishment of a world food security system involving nationally held reserve stocks and said that food must be the subject of international co-operation and not be regarded as a weapon dividing nations.

Mr Bergland, the United States Secretary of Agriculture, outlined the United States position on the setting up of a food reserve system on the first day of the five-day ministerial meeting in Manila of the World Food Council.

Earlier, President Marcos of the Philippines had called for urgent international action, including the establishment of a world grain reserve system, but said that assistance to the poor nations must not make mendicants of them.

Mr Bergland said his Government had "some lay the foundation for negotiations of an agreement which would include a coordinated system of nationally held reserve stocks".

### Reduced quota suggested by whaling commission

From Our Correspondent

Malta, June 20.—The International Whaling Commission's scientific committee has recommended a reduction in the number of whales to be killed in the coming season, but a slight increase in the quota has been suggested for the southern hemisphere in the span of which the one Australian station at Albany in Western Australia.

Quotas were the main topic on the opening day of the Twenty Sixth Annual Meeting of the commission in Canberra today. They will be decided in closed session over the next few days.

The commission will not consider a one-year moratorium on the killing of whales despite strong pressure from conservation groups and a message from President Carter emphasizing American support for a halt to commercial whaling.

has insisted that they be captured there has been no official word of their arrests.

There are rumours, which cannot be confirmed, that Mr Alves, a highly competent military commander during the civil war, has with Mr van Dunen joined forces with Dr Jonas Savimbi, President Neto's chief nationalist rival, whose National Union for the Total Independence of Angola (Unita) is waging a guerrilla campaign against the Government.

Reconstructed from the monitored broadcasts and from sketchy dispatches filed by French and Yugoslav correspondents in Luanda, the roots of last month's trouble lay in the dismissal of Mr Alves and Mr van Dunen from the central committee.

On May 26, a leading article in the party newspaper praised the President for purging the two men, alleging that they had been acting as "disloyal lackeys of imperialism."

"Little is known of Mr van Dunen but Mr Alves was a prominent military leader of the MPLA forces who has had close ties with the Soviet Union, which he is known to have visited recently.

On the other hand, there have been reports for months that Mr Alves and the wing of the movement he represented were less than delighted with the continuing presence of Cuban soldiers. These reports said it believed that reliance on Cubans inhibited development of Angolan nationalism and self-esteem.

Then at 10.20, a song was suddenly interrupted. According to the Agence France-Presse correspondent in Luanda, the station was recaptured by pro-Government forces backed by Cubans. At 10.45, the radio announced: "Forces faithful to comrade President Agostino Neto again control our station. Long live comrade Agostino Neto."

A world food security system should include a reserve stock mechanism designed to reduce wide fluctuations in market prices. The United States was willing to consider price indicators to set off reserve actions.

The cost of the reserve stocks must be shared among exporting and importing nations with special provisions being made to assist poor nations in meeting their share.

Countries must prevent interruptions in trade for grains which prevent adjustments in consumption and production in times of extreme surplus and scarcity.

The United States would continue to make contributions to agricultural development programmes. Final congressional action was being awaited on a United States bill and programme calling for more than \$700m (more than £41m) in food and agricultural development programmes.

The United States also planned to contribute \$800m a year from 1978 through 1980 to the World Bank's International Development Association, 30 per cent of which would be on a concessionary basis for food and agricultural projects in most needy countries.

The United States was seeking to improve its own food aid programmes and would try to maintain its total level of food aid at a fair share of the World Food Conference target of 10 million tons.

His Government had also recently agreed to contribute up to 125,000 tons to the international emergency food reserve.

Mr Bergland emphasized however that external assistance and international cooperation could be effective only in combination with commitment and investments by the developing countries. Food security was not the sole obligation of the United States or a shared one, it must be an area of international emergency food reserve.

The Chinese warning was transmitted to South Korea by the Chinese departments concerned.

The paper added that if the Seoul authorities did not take immediate effective measures to stop the occurrence.

Mr Bergland emphasized however that external assistance and international cooperation could be effective only in combination with commitment and investments by the developing countries. Food security was not the sole obligation of the United States or a shared one, it must be an area of international emergency food reserve.

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## SPORT

## Cricket

## Woolmer steers England to safety

By John Woodcock

Cricket Correspondent  
LORD'S, England, with eight second innings wickets in hand, beat Australia by 108 runs.

Two dropped catches may have cost Australia victory in the Jubilee Test match. Soon after luncheon at Lord's, yesterday, when England were having a fearful struggle to get their second innings launched (they had already lost Amis in the first over), Breslley and Woolmer were both down. Breslley went out to make 48; Woolmer 114 not out and England the safety of a good score.

When Breslley was 19, and England were 39 for one, Robinson, throwing himself to his left at short-leg dropped a sharp left-hander that hit the same spot. Woolmer, when he was 20, gave a less difficult chance to Seaman in the gully, slashing at Walker. Other technical chances escaped McCosker and O'Keeffe, both at slip, as the ball still hard and fairly new moved about off the seam considerably. Play was suspended for a drink, and Woolmer stuck it out, adding 132 for the second wicket and cheering us up on another bitterly cold day.

Woolmer's innings was all the more valuable and those misses all the more relevant, in view of the fact that Randall, if he has again in the match, is likely to do so only in some circumstances. A long, long time since a batsman has come up above his left elbow which is being called bursitis. "If it's half as painful as the bursitis I had," Eddie Beauford said, "Derek could pick up a feather and lay a hand."

How gratifying it is to be able to say of an Englishman that he played the Australian bowling on its merits, punishing the half volley, holding the long ball, and playing very much according to the text book. Having already made 79 in the first innings here, Woolmer is firmly reestablished in the side from which he was dropped last time, and which he was not chosen for in the recent one-day internationals. He has been working hard this season to eradicate a weakness outside his off stump, concentrating for one thing on keeping his head still before making a stroke. He still gets a lot of pace, and his fifth night, in his last 10 Test innings against Australia.

This was Woolmer's second hundred against Australia. The first, his 149 at the Oval in 1973, was not, however, as his second, and probably saved this one. Breslley, too, may be pleased with the part he played, as no lesser extent can Greig, who supported Woolmer resolutely during the first half of the match, be. It had taken Australia just over eight hours to bowl England out, and a man who has marked his defection to the Packer ranks with scores of four and nought. In spite of moving across his stumps to get into line, Amis still failed to do so, the ball cutting back to him off the pitch and hitting his off stump. It was Amis's eighth single figure score, and his fifth night, in his last 10 Test innings against Australia.

In case anyone should have thought that he had been curtailed on except to say what a pity it is that more Englishman bowl with as much an off-spin as and as fast as he does. Pascos's own reaction to the chid was that he can bowl much faster than he can throw, though he probably won't be much point in throwing. Yesterday, he, Thomson, Walker and Chappell shared the ball, until O'Keeffe, coming on in the late afternoon, removed Breslley.

At lunchtime England were 30 for one, in the first quarter of an hour afterwards Woolmer and Breslley might both have been caught, but once back in the three times each. Apart from the chances that went to hand, out, and out, the other major things, mostly in the vicinity of the slips, Indian pitches.

The last Englishman to Breslley kept playing and missed.

## Slow pitch curbs ambitions of batsmen and bowlers

By Alan Gibson

WORCESTERSHIRE: Worcestershire, with eight second innings wickets in hand, beat Hampshire by 83 runs.

It was, for the most part, a desultory day's cricket. This was not the fault of the players—indeed, whenever they could they sprinted, if only to keep warm. But grey skies, a chilling wind, and most of all slow pitch, outside, restricted the ambitions of batsmen and bowlers. A well-meant stroke rarely reached the boundary, or even passed the inner field; a well-mean ball, whether fast or spinning, usually gave a batsman ample time to assemble his defences or reconstruct his stroke.

On Saturday Hampshire had put Worcestershire to bat, but was not here then, and I could not understand the decision in view of the fact that the Worcester pitch has been played this season. Perhaps Stephenson, the acting Hampshire captain, reckoned that if it came to a fourth innings clash he had a better chance for the catch. But he was with Roberts and Hampshire, I am told, did not bowl very well, and so Worcestershire, Glenn Turner in commanding form, had scored 305 for five in 100 overs, and took 10 wickets of Richards as well.

Yesterday Hampshire never quite looked as if they could make so many, and did well in their 100 overs, finishing 26 behind Groombridge, putting a ball on to his stumps. Jesty was bowled, comprehensively. Both these wickets fell to Holder, who bowled well, though his efforts to smack more than one ball were sometimes lured him into noballs.

There was a valuable partnership for the fourth wicket between David Turner and Rice. Turner made few mistakes, and were profane. He scored freely, though his efforts to smack more than one ball were sometimes lured him into noballs.

He had, however, a good

partner in the fourth wicket between David Turner and Rice. Turner made few mistakes, and were profane. He scored freely, though his efforts to smack more than one ball were sometimes lured him into noballs.

I thought Gifford would settle

Dennies puts Essex back in the picture

"A faultless, unbeaten 115 by Michael Dennies, the former Lancashire captain, put Essex in with a good chance of avoiding defeat by Lancashire, which had been beaten four hours for 60 centuries, which included 11 fours, as Essex finished the day on 211 for three—a lead of three. Ken Shuttleworth had earlier ripped through the Essex batsmen on a seam bowler's wicket, with six for 17 as Essex crawled to 53 all out in under one and a half hours.

Horn

Javed Miandad, the 20-year-old Pakistan all-rounder, hit a fine century for Sussex before the county declared 48 behind Surrey's first innings.

Barry and Wessell, the opening batsmen, gave Sussex a good start with a stand of 73, despite lively fast bowling from Jackman and skilled spin by Intikhab. Wessell made a workmanlike 51, but Sussex then lost four wickets for 113, before Miandad joined Shand in a stand of 114 off 37 overs.

Miandad hit 11 boundaries in a stand of 170 minutes. He participated



Woolmer hits one of 13 fours in an undefeated innings of 114 against Australia at Lord's

ing;

up; Bird and Budd expected every appeal for lbw, some of which must have been missed. In Chappell's own wicket, Breslley and Woolmer were both within a whisker of paying the penalty for playing or stroking at ball which came back at them from outside the off stump.

But survive they did, and Woolmer was more than a beginner, playing more decisively well and Woolmer most encouragingly well. By 15.15 Australia's first innings lead of 80 had been wiped away. By the time Breslley was caught at short leg in the penultimate over, he had given up his ambition to catch a top spinner. Australia were looking bad in need of a wicket. Were the afternoon to be replayed, England could well have lost five wickets; that they lost only four was a matter of credit of Woolmer and Breslley.

In what evening play there was, Chappell gave O'Keeffe a good spell of bowling. Greig, I imagine, would rather have settled in against O'Keeffe than against Breslley. Breslley had beaten him with two balls that did improbably much off the pitch. On the ground, ironically enough, the Australian fielders had one of their best days, cutting off any number of handsome strokes from Woolmer.

This Woolmer," said a West Indian, "is a fine batsman. In this form, he is. Yet in India last winter he had a top run of 50 and made only 380 runs in 14 innings. As Randall found in Melbourne, runs at the moment count more than ever things, mostly in the vicinity of the slips, Indian pitches.

Notts v Glamorgan

AT WORKSHOP

GLAMORGAN: First Innings, 210

S. J. Jones, 100, 2nd Innings, 100

D. A. Hockley, 100, 2nd Innings, 100

S. J. Jones, 100, 2nd Innings, 100







# The world may shout as loud as it likes but Mother Russia will not be moved

It is not necessary to visit Russia to understand that the whole policy of Helsinki, Belgrade and the rest is a hair-raising absurdity. Ordinary common sense, uninfected by the conventional vocabulary of nonsense, is more than sufficient, though the merest smattering of Russian history could not fail to reinforce it. But can there be any country where such a smattering, however slight, is brought so overwhelmingly to life by the seeing of the physical eye?

To seek by formal treaty, periodically checked for progress, to bring about a radical alteration of the way in which the Russian state treats its nationals and looks towards the outside world, is an undertaking not merely futile but counter-productive from the point of view of those who engage in it.

There has never been the slightest reason to believe that the Russian state would make, or still less keep, any bargain which it did not consider to be in its own interests in its own view of the world, or to suppose that its view of the world is alterable by anything that the inhabitants of western Europe, let alone America, think fit to do or say.

The relationship of the Russian state to its subjects and, equally important, their conception of it, have remained unchanged in essentials ever since the Russian state existed in history. It is not the result of an accidental, or even intentional, failure of the Russian government to be aware of the quite different relationships and conception which prevail in Britain or the United States and which have now become more fully fashionable. The difference is not narrowed by the fact that the Russians are perfectly adept at learning and, where necessary, using the gobbledegook of the United Nations. A Russian no more becomes a liberal by talking than he becomes a Chinaman by knowing Chinese.

It is self-evident to the Russians as it is incomprehensible to us that their intercourse with the outside world ought to be limited to whatever serves the purposes of the state. It is as self-evident to them as it is incomprehensible



Enoch Powell argues that it is not only futile but also counter-productive to seek radical alteration of the way in which the Russian state treats its nationals and acts towards the outside world



to us that the citizen belongs not merely to the state but to a specific part of the state, and has no right (what could "right" mean anyhow?) to leave his home or his country at will.

To cry to shame or cajole or negotiate the Russians out of abandoning their convictions is like standing by the Volga and inviting it to be obliged to as to flow north instead of south. They as much belong to Russia as does the course of the river Volga; and there has been no period at

which these and kindred convictions, which we have lightly set ourseves to negotiate out of existence, have not been an integral part of the Russian experience.

The futility of what we are doing is, I repeat, not the wrong thing about it. We are forging weapons for use against ourselves. If we undertake to teach the Russian state to conduct its internal affairs on lines nearer to our own, we concede to it the very thing we have most strenuously denied to Russia: that is, its equal

right, by parity of reasoning, to try to remould our society and politics in the image of its own; and to do so by the self-same methods of calumny, infiltration, pressure and propaganda. It is no defence for us to retort, "But we are right and you are wrong", because that is the very assumption of the indirect causes. Intrepid Englishmen in disguise penetrated the prohibited areas of Asiatic Russia in search of imaginary troop concentrations; the Indian police were hot on the trail of Russian agents obliquely engaged in fomenting

For much of the last century Britain lived in a state of neurotic fear that Russia was poised to conquer our Indian Empire. It was a neurosis that dominated our foreign policy in Europe until the eve of the First World War, of which in deed it was arguably one of thousands who daily throng from all parts of Mother Russia's empire to the historic heart of their inheritance. The holiday crowds, orderly and serious, but open, inquisitive, inquiring, and, oh, so un-German, filled the avenues and halls of that lovingly restored park and pleasure of the town and nobles, come not as indifferent strangers or hostile intruders, but as those who belong; nor do they depart unchanged or unmoved.

I have seen a nation which in the past hundred years has made remarkable progress in its future. I wish I thought I had remained to one.

The author is Ulster Unionist MP for Down, South.

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David Howell looks beyond the hopes of a successful Phase Three

## Four ways to put the zip back into British business

Looking beyond the phase three brouhaha what on earth is the Labour Government, or any government, going to do to put some zip back into investment and into the business life of the country generally?

One says "looking beyond" phase three, although of course if phase three turns out to be another pay-any-price "deal" of the kind, for instance, that Mr David Bassett was given, fully funding the General and Municipal Workers recently, with more price controls, more public spending, the lot, that would do more to keep business confidence plucked to the floor and expansion plans on the shelf than any number of gloomy forecasts or any further attack on incendiary.

But let us suppose that the Government somehow negotiates the phase three rapidly, that the increase in average earnings in the next pay year is contained within, say, 15 per cent (although it will probably be larger if the social contract aficionados insist on some formal pay agreement) and that the inflation rate dips a bit towards the end of 1977.

Is that going to make business invest and take on new people? Is a sort of cocktail of jubilee cheers and Callaghan reassurance, against a background of slow world recovery, going to do the trick? Of course not. The reality is that present industrial policies do not begin to touch the springs of business optimism. The CBI tries heroically to raise a cheer for investment from time to time. The Nedsy working parties turn up stone after stone in their commendable efforts to uncover the obstacles to enterprise. But the immediate invest-

ment outlook remains miserable and business morale at all levels, but especially in the medium and smaller ends, stays at rock bottom. And the Government knows it.

A fresh approach and fresh policies in this whole area are long overdue. But what are the ingredients? I would list the priorities as follows:

The need to dispel the fears of business which hangs over so much of industrial policy thinking in high places, notably the pervasive assumption that the prime aim of policy has to be the negative of saving jobs and assuring unions. The end result is that the jobs are not saved (or saved at the expense of more jobs elsewhere), as the present situation shows, and the union members feel betrayed and frustrated.

Recognition of the prime importance of personal motivation in industry and commerce, and of the fact that it is people, rather than industries or firms, who have to be sparked off. That is why, where millions can be handed out in grants and loans to corporations with only fleeting results, the same amounts, or much less, when given back by government in business tax reliefs and personal tax incentives, would often be far more effective in stimulating activity and employment.

An understanding of the decisive role played by small units of enterprise in the whole economic process and of their critical contribution to the restoration of business vitality and of fuller employment. This is different from just accepting that smaller firms are "a good thing" with special problems—which seem

to be about as far as midget minds have got on this issue. It is more a matter of comprehending the living structure of a modern free economy, of seeing that if the smallest form of enterprise, nourished on the humbles of capital nest eggs, is not allowed to thrive then the whole system, right the way up to the level of the giant concerns, becomes diseased.

A determination to give maximum incentive to business success, regardless of whether it is in manufacturing or services, whether it is in finance or fashion, whether Whitehall approves, disapproves, under-stands or underestimates; and, equally, a determination not to be obsessed just with manufacturing alone, just because that is where the jobs are disappearing and the weaknesses are most obvious to administrative minds.

Change attitude at these basic levels and the right policies will flow from them. The Chancellor was reported as saying, under pressure from angry and bewildered trade union leaders at a recent NEDC meeting, that "new techniques and new machinery" might be needed to get enterprise going and to channel oil revenues into manufacturing industry.

But we need no new "technique or machinery". For a start, a "technique" of great effectiveness is to hand and it is called lower taxation. Fewer tax reliefs and tax incentives are still lethal to business. So are some of the administrative policies of the tax authorities, such as their approach to self-employment, or to the issue of the deferred tax from stock appreciation.

Nor is it just a question of

tax. There is plenty of evidence that planning procedures throughout the country, as well as numerous local authority practices, are pitched against enterprise, especially the small-scale concern. The inner cities, which have been destroyed by planning, *cannot* now be called back by grants and dedicated social programmes. They will come to life again, they will offer jobs and training which youngsters want by upskilling, unscrupulously, tax-shifting, and countless types of enterprise at which the British excel with their irrepressible commercial zeal and "shopkeeper" instincts.

The new jobs, the good jobs, for the next generation are not going to be found in the huge factories or engineering plants, let alone the steel works. They are going to be found in the shopping and service areas and on the small industrial estates. They are going to be in services as yet unimagined by high officials and in products as yet unnamed, let alone classified, regulated or legislated for-or-against.

This is the early point from which a fresh policy for business recovery should begin. It demands a feel for the entrepreneurial world, and a concern with its performance, of which there are only the faintest traces in government economic policy. And it needs with well-developed scepticism and awareness about the major partners as we are now taught to call them, with their conferences and agendas, their jockeying officials and their monthly journals, their corporate vanities, and their symbiotic life with the great bureaucracies.

It is hard to tell whether the

leaders of today's Labour Party are capable of adjusting to this more provincial conception of economic life, whether they can "ever escape" the "imperialistic" world of state capitalism, big unionism and sector planning which their new class inhabits for long enough to sense the real economy beneath.

But there will be no illusion that this is where the shape of industrial recovery is going to be decided. This is not where new jobs lie and nowhere tomorrow's successes will begin. For those I believe that the instinct will be to look elsewhere, to the family firm, the medium-to-small-scale manufacturer, the partnerships of consultants or local architects, the farmer, the haulier, the smaller service outlet, the builder, the specialized supplier, the man starting up with a new product he believes he can sell the motor repairer, the hotel keeper, restaurant-owner (those overseas earners), and the wholesaler and retailer.

It is this more provincial quality today which doubtless makes it so hard sometimes for metropolitan-minded opinion formers to adjust to conventional terms where the Conservative Party shirts and feels about business and even harder for the party's socialist critics who clearly find great difficulty in deciding which symbol of Conservatism to attack and close for or against.

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## The courtship of Mr Hulot

The opening of *Wim Wenders* yesterday seemed as slow as time as any to ask Jameson's order for any of his previous films. He shook his head and said that there was greater fun in the world now than ever before, so the title chosen after a great deal.

Mechanical confusion is asked, remembering *Mon Oncle* and *Traffic*. Political confusion, he replied; nobody capable of governing any nation, as for the rest of everyone was looking for true identity and not fun.

I hope M. Tati, who is 69, is not going sour on us, needs his brand of innocence, the amiable world of our

Post script: My item last about what a group of ladies of easy virtue might be called, brought in mens suggestion, some of them unprintable. To ones like best are: a company of solicitors, an anthology of prose, a bank or bars, Sir Alec Bishop, former British High Commissioner in Cyprus, and many others, tell me that resident Mafarlos had every right to sign his name in red to *Daunting Street* as I reported last week. This was of the privileges granted to the archbishop of the autochthonous church in Cyprus by the Emperor Zenus in 473 AD.

Chill words of truth that have put the wrong man out in the cold

Bernard Levin

time encouraging the be engaged on the "liberation" of Northern Ireland. Now it will be readily served that Conor Cruise O'Brien's argument about the Irish Republic's past is that more original or startling of his comments on Northern Ireland's present; nor will he claim they were. Yet effect on the Republic was more extreme; indeed, the allocation in exact proportion of the cause of any victory or defeat is always dangerous, particularly in a democratic country. His role at the time of the Katanga secession, when he was a UN official, was an unmitigated disaster, and he can hardly be proud of his academic position in Nkrumah's Ghana (though it is necessary to add that he had left before the full tyranny was imposed). In general, my complaint is that he has too often stopped to express heterodox views. In Northern Ireland, he is always the truth about Ireland contributed significantly to his defeat. The people, it seems, prefer a ready lie of myth to the solid reality of fact.

O'Brien once said, discussing attitudes in the Republic: "Peace is not advanced here-brained schemes for the transfer of population or raising schemes for the withdrawal of the British Army. That is the whole point.

It is extremely difficult to talk of United Nations intervention. One in which the Catholic population is encouraged to look is the *deus ex machina*. At this, raise illusive hopes here, is extremely dangerous. The problem is his always been bedevilled by the hope of our intervention, whether German or French or Spanish.

These things simply raise the hopes of a section of the population, destabilise the one which gets it; when the hope is over.

It is not for us to fear people who prefer illusion to reality; propagated by those who know them to be false, uncomfortable truth that, after all, is exactly what a British intervention did.

But that failing of her to take a new form of government for an indefinite period of time, at least a search for our route, is what is dangerous about the Irish election result that seems to be destined to be a large part, if not the whole, of it.

It is the measure of the inactivity of politics in the Irish Republic (and not in the UK) that O'Brien's suggestion of the one million pound sum for the Ulster Troubles did not receive the same attention as the £100 million sum for the Ulster Troubles.

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## COURT CIRCULAR

BUCKINGHAM PALACE

June 20: The Queen and The Duke of Edinburgh arrived at Lancaster Castle Station in the Royal Train this morning. Her Majesty's Royal Train, which includes The Duke of Lancaster (Mr Simon Towney) and the Mayor of Lancaster (Councillor H. Holgate).

The Queen and The Duke of Edinburgh visited the Landmark Trust Property in Sun Street (Senior Trustee, Mr W. H. Smith) and The Hotel (Mr Smith) and walking through the City Centre Pedestrian Precinct, drove to the Town Hall, Preston and were received by the Mayor of Preston (Councillor J. Hood).

After viewing exhibitions at Guild Hall, the Queen attended the Lancashire Schools Symphony Orchestra in Lathom Grand Hall, Her Majesty, with His Royal Highness, honoured the Chairman of the County Council (Councillor Leonard Broughton) and her predecessor at luncheon in the County Hall.

This afternoon, The Queen and The Duke of Edinburgh travelled in the Royal Train to Wigan North Western Station and were received by Hon. Michael's Lieutenant or Greater Manchester (Sir William Downard), the Chairman of Greater Manchester Council (Councillor J. H. Berry) and the Mayor of Wigan (Councillor T. Johnson).

Her Majesty and His Royal Highness walked through the Leight Town Centre Square, drove to Longford Hall, Trafford, were received by the Mayor of Trafford (Councillor Robert Crawford).

The Queen and The Duke of Edinburgh later visited the Town Hall, Manchester and were received by the Mayor of Manchester (Councillor R. Fink) and attended a Garden Party.

The Queen, with His Royal Highness, this evening honoured by her presence a Gala Concert at the Palace Theatre and later rejoined the Royal Train at Piccadilly Station.

## Marriage

Mr N. Hadden-Paton

and Miss S. A. J. Mellor

The marriage took place on Friday, June 17, in Berkhamsted School Chapel between Mr Nigel Hadden-Paton, The Blues and Royals, elder son of Major and Mrs Adrian Hadden-Paton, of Roseway, Berkhamsted, and Miss Sarah Mellor, youngest daughter of the late Mr Alexander Frederic Mellor and Mrs Anne Mellor, of The Cottage, Chippingdon, Archdeacon Youens officiated, assisted by the Rev J. P. Lawrence.

The bride, who was given in marriage by her brother, Captain Julian Mellor, in Guard's uniform, was attended by six children, Harriet, Laura, and Alardine, and Captain, Caroline Symonds, David Marden and Tom Rogers, and Miss Jenny Faser.

The Duke of Roxburgh, The Blues and Royals, was best man. A reception was held at Roseway.

BIRTHDAYS TODAY

Field Marshal Sir Claude Auchinleck, 83; Professor Alan Davies, 40; The Right Rev W. G. Fellowes, 70; Miss R. F. K. Goldsmith, 70; Miss Mary McCarthy, 65; Sir Cyril Musgrave, 77; Dr A. Renshaw, 92; Lord Sinclair, 63; Dame Lucy Sutherland, 74.

## Fishmongers' Company

The Wardens of the Fishmongers' Company for the coming year will be: Prime Warden, the Earl of Inchcape; Second Warden, the Hon Hugh Astor; Third Warden, Sir Cyril Musgrave; Fourth Warden, Commodore C. P. C. Nobell RNR; Fifth Warden, Mr G. C. W. Radcliffe; Sixth and Renter Warden, Mr B. M. Till.

## Latest wills

Latest estates include (not before paid but tax disclosed):

Mr. J. H. B. Hedges, 131, 133, 761 Bond, Mr. David King of Shorne, Kent, company director £166,532

Greaves, Mr. Cyril George, Sutton, Surrey, £307,033

Rowe, Mr. Charles Arthur, of Lantock, Cornwall, £102,703

Salter, Miss Elsie Baldwin, of Bournemouth, £113,606

## Forthcoming marriages

Sir Graham Wilkinson, Bt, and Miss S. C. Rossdale.

The engagement is announced between Graham, son of the late Sir David Wilkinson, Bt, DSC, of Brook, Surrey, and of Syria, Mrs. Graham, and Caroline, daughter of Dr Richard Rossdale, of Phillimore Place, London, W8, and Mrs. David Adams, of Portland, Dorset.

Mr. R. J. Bradshaw and Mrs. D. M. Stephen Scott.

The engagement is announced that the marriage will take place shortly between Richard son of the late Mr and Mrs A. J. Bradshaw, of Rushden, Northamptonshire, and Diana, daughter of Lord Polwarth, of Barden, Hawick, and Caroline, Lady Polwarth, of 2A St. Luke's Street, London, SW1.

Mr. K. L. J. Alder and Miss J. M. Alford.

The engagement is announced between Jonathan, elder son of Mr and Mrs Edgar Alder of Little Wibraham, Cambridgeshire, and Louise, eldest daughter of Mr and Mrs David Alford, of Bredstone, Dorset.

Mr. A. G. Alpian and Miss S. E. Mackarness.

The engagement is announced between Aldous George Alpian of Tewkesbury, and Susan Elizabeth Mackarness, of London. The marriage will take place in London on Saturday, August 20.

Mr. A. C. Chippindale and Miss S. M. Corfield.

The engagement is announced between Adam, younger son of Mr and Mrs Chippindale, of Bristol, and Sheelagh, only daughter of Mr and Mrs M. R. Corfield, of Blundell Hall, Surrey.

Mr. R. C. Grey and Miss J. Sinclair.

The marriage between Rupert Christopher, eldest son of Dr Christopher Grey, of Aldershot, Rock, London, W8, and the late Mrs. Diana Grey, and Janet, only daughter of Mr and Mrs D. V. Sinclair, of Southwicks Hall, Thirsk, Yorkshire, will take place in York on September 1.

Mr. M. G. Heals and Miss F. J. E. Strawson.

The engagement is announced between Michael, son of Mr and Mrs. Heals, and Mrs. Colin Heals, and Anne, daughter of Mr and Mrs. George Wedel, of Filton, Pinxtord, Ambergate, Gloucester, Derbyshire, and Judith, eldest daughter of Mr and Mrs. F. P. Strawson, of Belmont House, Bennington, Lincolnshire.

Mr. R. C. Whitton and Miss K. J. Klein von Kneutz.

The engagement is announced between Roy Charles, elder son of Admiral Sir Roy and Lady Charles, of Bill House, Hambleton, Yorkshire, and Heather Violett, only daughter of Mr and Mrs. C. L. St. John, of Hook Farm, Worlestone, Surrey.

Mr. J. R. Whiting and Miss K. P. Klein von Kneutz.

The engagement is announced between Paul David, younger son of Mr and Mrs C. T. T. Winsome, of West Byfleet, Surrey, and Juliet, eldest daughter of Mr and Mrs. J. K. Kinney, of Orpington, Kent.

Mr. P. D. Winsome and Mrs. J. K. Kinney.

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John Foord  
CHARTERED SURVEYORS

# THE TIMES

## BUSINESS NEWS

John Foord  
PLANT AND  
MACHINERY  
VALUERS

### nions insist on EB control GEC-Parsons merger

Shakespeare Riley, Secretary of State for Energy, is to get input from leaders of unions about their supporting merger of the "turbo-generator" of GEC and C. A. Parsons merger has also been referred to the Government's Central Policy Review Staff.

Clearly the Government is also anxious to see the industry carry through any major reorganization necessary to enable it to undertake big new projects such as the proposed Drax B power station.

The confederation executives' tough line—the result of an almost unanimous vote among union leaders—puts Mr Varley in considerable difficulty. He talks with the two companies. He is due to meet the confederation leaders in Scarborough tomorrow, and the GEC-Parsons affair will be one of the subjects he will be discussing with them.

Peter Hill writes: Mr Varley is expected to be notified formally of the executive's vote today. After a meeting at the end of last week attended by a sub-committee of the CSEU together with Mr Varley and Lord Ryder, union leaders were told that the NEB was committed to taking a considerable stake in the merged company, although in May Lord Ryder stated in a letter to Mr Varley that he did not wish the board to become involved if an alternative solution could be found.

He also stressed that the NEB was against a transnational involvement, but would contemplate a co-financing one, providing this could be negotiated on an acceptable basis.

### Fortunes of Keyser Ullmann on the mend

By Adrienne Gleeson

Keyser Ullmann, the City merchant bank which has been obliged to make enormous provisions for bad debts since the property market collapsed in 1974, yesterday announced pre-tax losses for the year to end March exactly in line with those of the preceding 12 months at £53m.

The figures, however, mask a sharp improvement in the group's fortunes in the second half of last year, thanks largely to the elimination of bad debt provisions.

Shareholders' funds which

had been cut back from over £100m three years ago to just over £50m at the end of September, rose marginally to £135m at the year-end, and the dividend has been trebled, though at 0.5p a share gross it is still only a token payment.

Although property sales during the year fell short of the group's expectations, at £20m, a considerable increase in activity since the year-end has led

the management to believe that it might be possible to claw back some of the £5m additional provisions made against properties when interest rates were increased in the autumn.

The commitment to property "will continue to be reduced", according to Mr David Wild, chairman, and "the emphasis must now be on developing our industrial and commercial banking business".

The bank has applied for a reduction of £20m in the issued capital of its wholly owned banking subsidiary, Kerser Ullmann, in order to eliminate a £15m deficit on the subsidiary's revenue account which is, he says, "an embarrassing reminder of the past".

Financial Editor, page 19

### Severe fall in real pay

Continued from page 1

risers in the month reached nearly 2½ per cent.

Since then the May figure for real prices has confirmed official hopes of a slowdown in the rate of inflation.

This, with the boost to pay packets from the Chancellor's tax cuts, will begin to ease the squeeze on living standards in coming months.

However, this is unlikely to do much to boost the economy as the fall in real incomes has so far been severe.

Despite the increased opposition to pay controls, pay two has held remarkably well. The Department of Employment estimates that 10.5 million employees have now settled

Continued from page 1

with the terms of the policy.

This covers nearly 85 per cent of those workers whose settlements will be notified to the department.

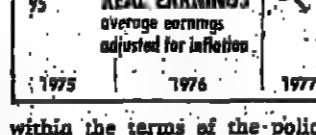
Some employees, including journalists and bank workers,

have stated that they will try to defer their pay settlements this year until after the end of stage two on July 31. It is not thought that this will have a significant effect on the index, even if they carry out their intention, partly because it does not cover all workers.

A new series which covers virtually the whole economy is now being calculated. The seasonal adjustment has not yet been worked out, but the annual rates shown by this series are in line with the slowdown shown by the old index.

Nationally negotiated wage rates for manual workers in May were also published yesterday. These showed that both weekly and hourly rates rose by 7.1 per cent in the year to May, compared with a 7.6 per cent rise in April.

WAGE RATES



Source: Financial Times

### Banker will head Price Commission

By Ronald Emble

Mr Charles Williams, a managing director of Baring Brothers, the merchant bankers, is to be the new chairman of the Price Commission. He will take over from Sir Arthur Cockfield on August 4, the day the provisions of the Price Commission Bill should come into effect. The Bill starts its report stage in the Commons today.

In the Commons yesterday

Mr Hattersley, Secretary of State for Prices and Consumer Protection, also announced that the new Commission would have three deputy chairmen, as opposed to the present one.

They are to be Dr Gordon Hobday, chairman of Booz; Mr Seamus Sweetnam, deputy chairman of Unilever Ltd; and Mr John Hughes, Vice-Principal of Ruskin College.

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had been cut back from over

£100m three years ago to just

over £50m at the end of September, rose marginally to £135m at the year-end, and the dividend has been trebled, though at 0.5p a share gross it is still only a token payment.

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the management to believe that

it might be possible to claw back some of the £5m additional provisions made against properties when interest rates were increased in the autumn.

The commitment to property "will continue to be reduced", according to Mr David Wild, chairman, and "the emphasis must now be on developing our industrial and commercial banking business".

Mr Williams has indicated he cannot continue to give enough time to fulfil the role

of deputy chairman but will be willing to serve as a commission member for another year. Yesterday Mr Williams said he believed in the new discriminatory price policing policy, but said he did not see the subjective criteria set out in the Bill on profitability and return on capital as an obstacle to industry.

He was taking pricing decisions every day, and he had to remember they were not always based on maximizing profit.

He did not see the new policy as a bar or disincentive to investment by companies. The new body's recommendations on final pricing "would take into account the need to earn a proper return on investment".

Mr Williams said that the commission would have to balance the needs of industry against the needs of the consumer and take into account the "national interest".

It was his intention that there should be "give and take" between the commission and industry.

Mr John Methven, director general of the Confederation of British Industry, said that the top appointments were good as they were men of integrity and who had wide experience of business.

However, industry would still have to wait and see how the new powers were operated before crucial investment decisions could be taken.

Mr Methven has written to Mr Hattersley saying that he has received very strong support from CBI members in opposition to his minimum profitability safeguards.

Business Diary, page 19



Mr Charles Williams: commission will have to balance the needs of industry against those of the consumer.

### TUC firm on right to elect worker directors

By Paul Roulledge

The TUC is sticking to its demand that worker directors in the private sector of industry should be elected by the labour force through the single channel of the trade unions.

Yesterday the TUC Economic Committee decided to write to Mrs Shirley Williams, chairman of the cabinet committee attempting to bring together the warring strands of ministerial opinion about industrial democracy, telling her that the unionists want to be the sole avenue of elective power to Britain's boardsrooms.

In talks with ministers last week, the TUC was told by the Government that the cabinet had serious reservations about the single channel arrangement which would "disfranchise" non-trade unions in industry and would not be acceptable to the Liberals, on whom ministers now depend for the successful passage of parliamentary legislation.

The issue will be raised again tomorrow at the TUC general council monthly meeting.

The TUC general council is expected to be warned by at least one of its senior members that there is no chance of the Government legislating on the majority of the Bullock recommendations in this session of Parliament because of Liberal misgivings about the extension of trade union power. Moderate ministers are arguing a stage by stage introduction of industrial democracy that would not give trade unionists parity on company boards for many years.

Rodney Cowton writes: The prospect of the Government's proposals for legislation on worker participation appearing before the end of the present Parliamentary session are steadily diminishing. Mr Dell, Secretary of State for Trade, is referring to them as coming "not before the end of July".

Yesterday he had a meeting with representatives of the British Institute of Management, led by Sir Derek Ezra, chairman of its council, to discuss the Institute's proposals. The BIM told Mr Dell that it was opposed to the majority report of the Bullock committee, and to legislation for worker participation. However, if the Government believed legislation was unavoidable the BIM held that it should be merely enabling legislation, and that it should allow as much flexibility as possible.

The vehicle which the BIM would prefer would be freely negotiated participation agreements, which would be subject to arbitration if negotiations broke down.

Arbitration which resulted in the recommendation for the creation of worker directors would only become binding if this was endorsed by a ballot of employees and a general meeting of shareholders.

Mr Dell is thought to have expressed reservations over a BIM suggestion that on any participative structures there should be separate constituencies for managers, white collar and manual workers. The BIM has objected to the exclusive role given to trade unions.

Experiments urged, page 20

### State official resigns over Crédit Suisse

By Ronald Pullen

Inadequate standards of security at a company that enabled a former employee to conclude that a takeover was in the air, were criticized by the Takeover Panel yesterday. But the Panel has found no grounds to censure anyone under the insider dealing provisions of Rule 30 of the City Code on Takeovers and Mergers.

It has not named the former employee because there was no evidence he was working in connection with anyone.

The conclusions arise from the Panel's investigation into the Panel's investigation into the shares of Royal Sovereign before an announcement that was in discussions with paper and printing group, Dickinson Robinson.

Although the Panel has been satisfied that no improper use of confidential information was

### Takeover bid security criticized by Panel

Continued from page 1

made, it found that officials of Royal Sovereign did not maintain the level of security required under the Code.

Following a visit to Royal Sovereign, the unnamed senior ex-employee purchased a total of 40,000 shares at prices between 40p and 54p, compared with the subsequent cash offer from Dickinson Robinson of 74.4p a share. Since this was his first foray into the shares of Royal Sovereign after leaving the company a year before, the Panel concluded that these purchases could not have been inspired by "vague impressions of its prosperity".

A spokesman for the Panel said yesterday: "Although the shares had been bought in a cunning way, the ex-employee had not been named because on the face of it the case was not one of insider dealing".

Financial Editor, page 19

### Lay-offs at Dagenham plant mount to 14,000

By Christopher Thomas  
Labour Reporter

More than 14,000 Ford workers have so far been laid off because of a dispute that began over a man who said his wrists ached.

Production at the Dagenham plant is at a standstill and thousands of workers face lay-off if there is no early return to work. The company had

lost production of 5,000 cars at the end of last week, and is this week losing 1,100 a day.

The Transit van plant at Southampton, which by the end of last week had lost 170 vehicles, was expected to close at the end of the night shift this morning. The Langley truck plant, which had lost 70 vehicles by Friday, was also expected to close from today.

The trouble arose when a man in the body plant was suspended for three days for failing to operate an automatic welding machine properly because, he said, it made his wrist hurt. Seventy of his colleagues stopped in sympathy and workers are now demanding pay for the time they were laid off.

"Silent" row: Twelve hundred foremen at Vauxhall Motors,

London, Bedfordshire, are refusing to speak, answer the telephone, work overtime, or fill in forms. They want the management to regrade their jobs as a way round the pay cut.

They claim the code has cost them £1,500 each in wage increases, and want company guarantees of more money when the Government loosens pay restraint.

Financial Editor, page 20

### Augustus Barnett bought by Spanish wine group

By Derek Harris

Augustus Barnett, the off-shore chain which specializes in cut-price selling, has been sold to the Spanish conglomerate, Rumasa SA Group.

The price was not disclosed but Mr Brian Barnett, chairman of Augustus Barnett, had indicated earlier that he was looking for a deal involving more than the company's £18m net assets.

Rumasa, Spain's largest privately-owned holding corporation has made the acquisition through its United King-

dom operating company, Imported Wines. It sees the deal as a logical step to increasing its market share in a growing wine market.

Mr Barnett stays as chairman of the company he established 14 years ago. The Barnett chain of 138 outlets is to be expanded "with all speed" to around 250.

In a statement Mr Barnett, Mr Leslie Clark, a fellow director, said: "Rumasa brings the long term financial muscle we need as well as a new dimension to the horizons of our future operations."

The ceiling on domestic credit expansion this year of £7,700m, set out in last December's Letter of Intent to the International Monetary Fund, is considered adequate by the Government to meet the prospective financial requirements of industry for investment and expansion.

In a parliamentary reply yesterday, Mr Healey disclosed that he had written to this effect to Dr Johannes Witteveen, managing director of the IMF. His letter follows a recent review of the DCE ceiling by the Treasury—a review that had been intimated in the original letter to the IMF last December.

Financial Editor

page 20

## PLA cuts trading loss and sees profit soon

By Michael Baily

Transport Correspondent

Brighter times ahead for the Port of London Authority are forecast by the retiring chairman, Lord Aldington, in his latest annual report.

Trading loss after interest was cut from £8.4m in 1975 to £1.75m and a return to profitability is expected within a year or so, given a continuing reduction in manpower and freedom from industrial disputes.

At a London press conference yesterday, Lord Aldington, who makes way for Mr John Cuckney of the Crown Commissioners in the autumn after six years at the helm at PLA, disclosed that the massive manpower reductions of the past decade—from 24,000 to 8,800 registered dockers and from 8,400 to 4,700 other staff—was already yielding results in improved trade for London.

Traffic last year increased by three million tonnes to 48.6 million, and the build-up is continuing this year, especially in the import trades.

A 10 per cent rate rise in January, largely because of a slimmer labour force, was less than in recent years, and less than some other ports charged.

After a 1 per cent cut in total staff to about 13,500 over 10 years, Lord Aldington sees smaller cuts—perhaps a further 30 per cent over three years, though he declines to quantify them while consultants study the future of the port—and an end to the upheavals of the past, with even a start to selective recruitment as the average age of dockers approaches 45.

But response to the new £7,000 severance offer has been "disappointing" so far, Lord Aldington said, with only about 380 elderly or unfit dockers taking advantage of it, leaving about 400, costing the PLA around £70 a week each but incapable of doing a docker's job, still on the books. The fact that these people were still there with no work to do was a "blot on the working of the dock labour scheme", Lord Alding said.

Non-docker staff were facing big changes with implementation of the new market-oriented management structure. "This requires fundamental changes in attitudes which I accept will be unacceptable to some," he says.

"But the time for change is now, we can meet it head-on and build for our long term prosperity, or bury our heads in the sand."

Turnover last year was £57m compared with £53m, and operating profit before interest £3.9m compared with a deficit of £4m. After interest charges of £5.6m and restructuring costs of £5m, there was a net reduction in reserves of £6.7m.

## 12 groups set steel bar floor price

By Peter Hill

Details of a trading arrangement by 12 United Kingdom companies setting floor prices and market shares for sales of processed reinforcing steel bars (rebars) are being studied by the Office of Fair Trading.

Terms of the agreement have been submitted to the OFT by the British Reinforcement Manufacturers Association, and signatories to the agreement include British Reinforced Concrete Engineering and GKN Reinforcements.

According to the document, the aim of the scheme is to provide some rational marketing structure for the sale of rebars. At the same time, it aims to assist in making effec-

tive measures introduced by the EEC Commission as part of its anti-crisis package for the steel industry through the setting of minimum prices.

The 12 companies plan to operate as a common selling agency by setting a minimum floor price at which business will be accepted and shares of orders received and managed.

Rebar imports have risen to a high level over the past 18 months, but signatories to the agreement have undertaken not to import from countries outside the EEC, except those which have free trade agreements with the Community.

Participants in the scheme will pay a subscription of £2,000 for each 1 per cent of the percentage market share allocated

price under the Commission's pricing regime will be £135 a tonne and the BRMMA scheme members will set a price which contains no profit element.

Signatories will be barred from accepting orders at below the agreed floor price and from offering any discounts, extended credit facilities or rebates.

Companies involved—principally those casting and bending rebars—will be expected to restrict their intake of new orders as not to exceed their percentage market share allocation in any three-month period by more than 10 per cent.

Participants in the scheme will pay a subscription of £2,000 for each 1 per cent of the percentage market share allocated

to them, with a minimum payment of £5,000. Companies exceeding their market share will be required to reduce deliveries in the following month either by transferring work to other members or by delaying deliveries.

Those failing to meet these requirements will be liable to a "fine" of £20 for each tonne of the excess tonnage. Companies accepting orders below the floor price will be liable for a similar sum.

An OFT spokesman said officials would be looking at the content of the agreement and if there were aspects contrary to the public interest the companies would be asked to remove them.

## Office of Fair Trading studies advertising pacts

By Ronald Emmer

Mr Gordon Borrie, Director General of Fair Trading, is to decide whether to refer a series of agreements relating to the advertising industry to the Restrictive Practices Court.

The agreements, placed on the register yesterday, include the industry's voluntary code of practice, but it is thought that Mr Borrie will not test the validity of this in the court as it is felt to be in the public interest.

Among subjects covered by the practices are the system of agency recognition by the media, the terms of acceptance

for advertisements, rates of payment and agreed terms of payment for advertisements and agency commissions.

Perhaps the most contentious point will prove to be the agency recognition system. Under this, media agree discounts to advertisements placed for companies by a "recognized" advertising agency.

The agency, not the advertiser, pays the lower tariff, which is usually reflected in an agency's rates.

Although not part of the code

## £7m order for Pye from PO

By Kenneth Owen

Following trials at Surbiton Telephone Exchange, the Post Office has placed a £7m order with Pye TMC, part of the Pye Group, for advanced electronic equipment to port-modernise more than 240 exchanges in London, Birmingham, Edinburgh, Glasgow, Liverpool and Manchester.

Known as "Director" equipment, the units are used to translate a digitised number into route instructions between exchanges. At present this is done electronically; the Pye electronic directors are cheaper, smaller, more reliable and easier to adapt to changes in routes and codes.

This is the largest single order for telephone exchange equipment yet received by Pye TMC. The units will be made at the company's factory in Airdrie, Scotland, which two years ago reduced its workforce by 1,200 to 600 people.

For telephone users, the new equipment should mean fewer wrong numbers. At the same time, the Pye units are tiny integrated circuits and the metal-oxide semiconductor large-scale integration (MOS-LSI) type which are claimed to be the most advanced of their type

## EEC investment bank agrees on expansion

Luxembourg, June 20.—EEC finance ministers today agreed in principle that there is scope for an expansion in the activities of the European Investment Bank (EIB), of which they are governors.

But a final decision, including that on a substantial increase in the nominal capital of the Community's long-term financing institutions will not be taken before 1978, an EIB spokesman said.

The spokesman, as well as several ministers, insisted that the size of the possible increase in EIB's capital was not mentioned by the governors when they met today.

M. Gaston Geens, Belgium's Finance Minister, told reporters that he is certain that EIB's capital will be raised next year.

The EIB governors' agreement came after suggestions by Mr Callaghan, who, as President of the Community Council, said the EIB's activities should be extended.

Mr Callaghan's suggestion for increased EIB activity was part of a general call from government chiefs at their last Rome summit meeting. This sought Community action to help in reducing unemployment and to encourage a higher level of capital investment in member

states and to promote a greater degree of convergence in their economic performance.

The governors decided in July, 1975, to raise EIB's nominal capital to 3,543m European units of account (about £2,300m) from 2,025m units.

The increase, to be paid in by the nine member states, is being carried out in eight half-yearly instalments in members' national currencies.

EIB officials said it was significant that a new capital increase now appears certain next year, even though the four-year period over which the previous increase is staggered does not run out before 1979.

An EIB communiqué said that the bank's annual operations had risen threefold between 1974 and 1976, and nearly doubled in real or inflation-adjusted terms.

Taking EIB's past experience into account, the governors are sure that a continued increase in the bank's activities over the next year can be achieved, the communiqué said.

To this end, the governors agreed to take the necessary decisions at their 1978 annual meeting on the amount and timing of the bank's capital to encourage a higher level of lending of capital investment in member

# Hill Samuel Group

## A creditable performance in difficult conditions

Highlights of the year by the Chairman, Sir Kenneth Keith

This has not been an easy year for your Group, because of the environment in which we have had to operate. Inflation has continued apace and overall demand for bank lending has remained sluggish; these conditions have had their inevitable effect upon costs and income.

In all the circumstances, I believe that your Group performed with credit. We have maintained a strongly viable business in all our main areas. We have continued our international expansion, which I am sure will produce benefits in future years. We have once again demonstrated the value of having a wide spread of business activities, which has ensured a general overall protection for profits. The increased profits of Hill Samuel Insurance & Shipping during the past year almost made up for the decrease in merchant banking profits. This wide spread of activities should ensure both stability of performance and quality of earnings in future years.

**Merchant Banking**  
Loan demand remained weak and because of this and the results of some overseas subsidiaries, profits did not equal last year's record levels. Investment banking, however, had an extremely busy and successful year with operations undertaken for a wide spread of corporate clients both in the United Kingdom and overseas. Project Finance had a record year with the total of loans arranged up by 59%.

The outcome of the year for Hill Samuel Investment Management was satisfactory with total funds under management increased to over £1.2 billion. The continued expansion bodes well for the future.

### Results

for the year to 31st March 1977

#### Sources of profit—after tax

	1977 £'000	1976 £'000
Merchant Banking	4,898	5,436
Banking*	4,206	4,301
Investment Portfolio	191	600
Investment Management	501	535
Insurance and Shipping	3,045	2,590
Less:	7,943	8,026
Profit before extraordinary items	1,231	1,042
Extraordinary items†	6,712	6,984
Group profit for the year (after tax and extraordinary items)	7,533	6,853

\* after transfer to reserve for contingencies.

† including exchange differences but after a transfer to banking reserve for contingencies of £1.75 million in 1977 only.

#### Insurance and Shipping

Lowndes Lambert Group increased its pre-tax profits in insurance broking and employee benefits by 39% to £4.68 million. Lambert Brothers Shipping showed pre-tax profits from shipping services of £1.15 million, which were not far below last year's record levels, a most satisfactory result in view of the weakness of almost all international shipping markets.

#### N Sea oil countries to discuss rig safety

Ministers from seven countries with North Sea coasts will meet in Oslo tomorrow to discuss the safety of offshore oil installations in the light of the recent blow-out on the Ekofisk field in the Norwegian sector of the North Sea.

Britain will be represented by Dr J. Dickson Mabon, Minister of State for Energy, and Mr Stanley Clinton Davis, Parliamentary Under-Secretary of State at the Department of Trade.

Copies of the Report and Accounts containing the Chairman's Statement in full can be obtained from the Secretary:

Hill Samuel Group Limited  
100 Wood Street  
London EC2P 2AJ



## LETTERS TO THE EDITOR

### 'No champion' for BP shareholders

From Mr H. H. Sebag Montefiore

Sir, Your Financial Editor in his column today, "Deciding where the BP shares will go", reminds us that, had this been an issue by the company, Stock Exchange rules would have restricted preference shares of shareholders and BP employees to a maximum issue of £100,000.

Those failing to meet these requirements will be liable to a "fine" of £20 for each tonne of the excess tonnage.

Companies accepting orders below the floor price will be liable for a similar sum.

An OFT spokesman said officials would be looking at the content of the agreement and if there were aspects contrary to the public interest the companies would be asked to remove them.

white form but this confers no preferential status and thus puts us in a deferred or depressed class.

Shareholders in oil companies who have stood by loyalty in bad times as well as good, subscribed additional sums when they were needed, seen their tankers laid up at great cost and waited patiently while ordinary issues and the Bank of England and Lord's Commissioners of Her Majesty's Treasury have decided to make available blue forms for 65,000 occupational pension funds.

So who can we look to if neither you nor the Stock Exchange are prepared to demand fair play for us?

As a shareholder I received direct from the company a

copy of their "free" share plan which should be spread as widely as possible in the United Kingdom, preference treatment if any is given to shareholders.

I learned in this Government's Budget that the oil industry's

shareholders are to be given

an "equal" share of the oil

industry's profits.

Yours faithfully,

BETTY CRANMER,

502 Berkeley House,

100 New Bond Street, SW1.

June 15.

Workers would support idea of "freeport"

From Mr R. Myddleton.

Sir, The June 16 issue of *The Times* reports Professor Peter Hall's suggestion that "freeports" be established in selected areas of inner city streets (perhaps in response to Mr Godley's "selective incentives").

Farm workers in the United Kingdom are recognized as the lowest paid, paid under the policy that Messrs Godley and Macfarlane are proposing, the action would be

partly at their expense as well as at the expense of low-paid workers and farmers abroad.

There is another aspect. In recent years there has been much discussion about the morality of so-called "factory farming" and other intensive methods of livestock production, and in this country these methods can be monitored.

I personally believe that a significant number of workers as well as entrepreneurs at freeports would actually profit.

Professor Hall's suggestion is, I might well be too successful.

I personally believe that a significant number of workers as well as entrepreneurs at freeports would actually profit.

Professor Hall's suggestion is, I might well be too successful.

In passing, I just mention that the capital repayment schedules attributed to me relate to a specific country and were quoted as an example in a paper presented at the Salzburg Conference. It is not necessarily the case that the same procedures would be adopted in other countries.

Yours faithfully,

N. C. MCKENZIE,

Kleinwort Benson Limited,

20 Fenchurch Street, EC3.

Surrey.

June 15.

BY THE FINANCIAL EDITOR

## Insiders: time to grasp the nettle

in the seeming impotence to be do anything about insider dealing highlighted by a statement from over Panel on the Royal Sovereign- n. Robinson affair.

tedly, there is a mild rebuke from labour the standard of Royal Sovereign security and what actually ad an "insider dealer" was made difficult in this particular instance. impression remains that because of les involved in stamping out insider under the present system of self- n the authorities are content to let a question ride.

fact admission of this seems to the recent Panel-Stock Exchange for a code of conduct for com- ch price sensitive information.

here is one issue on which all views the City and in politics are united. undesirability of insider dealing nor use well-publicized cases invite om outside but because such prac- re with the smooth operation of

its inception, the Panel has worked actively than many dared hope with oning of the code plugging the gaps developed. So it is a matter of the nettle of insider dealing has been properly grasped. The time has come to grips with this unsavoury the City securities market. There able be problems of definition but is to be made somewhere and the

Joyce/Fodens

for a offer

ce Motors' bid for Fodens will to its second phase today. The of its intentions has never been. But the level of acceptance is indicate that the first attempt used yesterday has undershot the rather more than either the its advisers would have liked.

problem for RRM now is how much an afford to pay. Fodens' refection trod a nice line between giving enough information to support at offer and giving RRM too p in deciding what its next step so far there has been no incentive institutions to accept on income and the circumstances in which prepared to support the company section of preference capital two when they voted for a long-haul

## Ullmann sights land

left of the secondary banking on continues to make its way financial deeps to that far bourn, City. Some of the survivors—UDT continue to make it by way of others now find themselves be shallow, still vulnerable in the wave—rising interest rates, for but touching bottom and gaining once by the day. Amongst this story is Keyser Ullmann.

still has a lifeline out to the in the shape of the standby facility of the clearing banks of which es to make use—the tune of £m. The lifeline went out when ate rose last autumn: it stays out he group is beginning to expand uses other than property. This show up, though, in either the year to end-March or the of that date.

for the year show a loss, before y in line with that of the preceding £5.3m—and that after previous year provisions of £4m 1975-76) to cover the cost of assets on which the return is adequate or non-existent. the figures for 1976-77 mask a movement in the second-half of the £6.7m of additional provi- the first six months was turned awback of £200,000 on foreign trading level, it is true, there is ugh change, with a profit of in the first-half accelerating to the second six months. But such

recovery, possibly means that a short-term price gain is less important than it might otherwise be.

That will not hinder their accepting a higher offer, however—particularly if it is thought that Fodens may run into cash shortage problems or have to limit production below the level of demand. Profits were moving up very sharply in the second-half of last year and by far the greater part of the £1.7m total should show straight through to reserves as a result of the available tax losses.



Mr Ian Fraser, chairman of Rolls-Royce Motors

Borrowings, if changed, should be slightly down at around 75 per cent of shareholders funds, but the faster stock turnaround that was achieved last year and greater debtor/creditor control will not reap the same benefits again.

The break-even point was passed around 30 vehicles a week in the first-half and from then on, profits began to flow in quite fast. But the questions for this year are whether the further benefits from increased sales will create sufficient cash flow to fund a growing working capital requirement.

The fact that so far Fodens has performed better than RRM is expected to be a matter of its appetite further rather than reduce it. This is essentially a diversification into a new, but allied specialist engineering field to the three it is already in.

The arguments that Fodens produces to convince that it can compete in a market dominated by the large European producers such as Volvo, Mercedes-Benz and Fiat, is not an argument for its independence from RRM as RRM needs the same arguments to convince it can make a success of a combined group.

Either Fodens is right and its niche in specialist manufacture is realistic or it will die either with RRM or without it. The scope for rationalization through RRM's 17 per cent holding in Gardner, may be there but no votes should be cast because of it. This bid will be decided on price and income, and RRM has perhaps more scope to raise its offer, given Foden's performance, than it thought it had.

THE TIMES TUESDAY JUNE 21 1977

David Blake examines the West's slow and painful recovery from recession

## Western economies going nowhere very fast

### DISCOMFORT INDEX \*SEVEN MAJOR COUNTRIES\*

Year	Unemployment rate (%) (1)	Increase in consumer prices (%) (2)	Discomfort index (1) + (2)
1959	2.3	1.2	5.0
1960	2.4	1.7	5.1
1961	2.3	1.8	5.2
1962	2.1	2.1	5.2
1963	2.2	2.3	5.5
1964	2.5	2.0	4.9
1965	2.7	2.6	5.3
1966	2.5	3.2	5.7
1967	2.6	2.8	5.6
1968	2.7	4.0	6.7
1969	2.6	4.9	7.5
1970	3.1	5.6	8.7
1971	3.7	5.0	8.7
1972	3.7	4.4	8.1
1973	3.2	7.7	10.9
1974	5.4	13.4	17.1
1975	5.3	11.1	16.5
1976	5.3	13.4	13.4
1977	(4)	(5)	(9)

\*Taken from "A Growth Scenario to 1980", OECD Economic Outlook, Number 19, July 1976.

economic achievement of the

recent London summit.

Yet there is indisputable evi-

dence that the targets set under

that summit are being met,

nor are they likely to be beaten

in the next few years. The loco-

motives of western expansion

do not seem able or willing to

get up steam. It is not just

these countries, however, which

are not meeting the targets

which were originally set them

as part of the strategy for

growth. This would be in the longer

run, but that is not at the

centre of the case. At the

heart of the position of those

urging caution is that inflation

has got out of control once in

the past decade and could

easily do so again.

The weaker countries with

their higher inflation and

greater problems with their

balance of payments had to

scale down their growth ambi-

tions earlier in the year. So

strong and weak alike, either

through negligence or design,

seem likely to overshoot the

rate of growth they would have

to achieve if they were serious

about the policy.

It is inflationary expectations

which are the major constraint

on return to growth and the

longer the gap the harder it

will be to close it.

It may make sense to say

that some countries such as

Germany and Japan should

concentrate on growth and those

others should go on fighting in-

flation; but such a policy is

almost certainly too complex to

work.

It is now too late for the

West to hope to get back on its

path for growth in 1980 even if

it wanted to. The best chance

is to hope for such a course

which have been imposed in

recent years.

Such a policy would mean

accepting a high level of

unemployment for many years to

come and learn to live with it.

This is broadly speaking the

approach advocated by the

Bank for International Settlements

in Basle. Its annual

report is clear in what it

thinks has gone wrong and on

what the neo do to fight the

against inflation top priority.

If inflationary expectations

are seen as the major constraint

on return to growth then the

longer the gap the harder it

will be to close it.

At the summit-level there has

been much talk of the need to

work together; at the practical

level the gap between those who

believe in more expansion and

those who want to hold down

growth for fear of inflation has

never been bridged. Nor indeed

is it realistic to expect that it

would be.

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## PORPSMOUTH AND SUNDERLAND NEWSPAPERS, LIMITED

### EXTRACTS FROM THE HON. RICHARD STOREY'S STATEMENT

#### Company's Profit :

Considering the handicap of the inevitably poor trading results in Sunderland, this year's profit may be considered satisfactory. Once it has been possible to resolve the problems with some of the staff and machinery in Sunderland, the Company should be in a position to benefit further from its considerable investment over the last decade."

#### New Premises in Sunderland :

"The first year of production of the Echo, Sunderland, in new buildings and with new equipment, has been a difficult one for all concerned. Much of the composing equipment has functioned inadequately, the public has taken time to become familiar with the new look of the newspaper, and some of the staff have still not adapted to the new conditions. These problems are similar to those which the Company had a few years ago in Portsmouth and I am confident that the new Echo office will become, when the new methods are fully operative and accepted, successful as The News Centre."

#### New Equipment for Portsmouth :

"Negotiations have continued for the introduction of new composing and allied equipment for The News Centre, Portsmouth, and some has been installed. An agreement to use the latest technology as effectively in this country as elsewhere in the world is now being sought, albeit very belatedly, from the trade unions by The Newspaper Society. Should such negotiations not succeed, the Company will continue them independently."

Hitherto the Company has always been able to take advantage of the most modern equipment and methods in order to provide the public with as good and as cheap a service as possible. It would be most regrettable were this record to be broken now. Moreover, the introduction of modern composing equipment and high quality presses at The News Centre ten years ago has gradually increased the printing of publications, many of which previously did not exist, for customers under contract, and this has contributed not only to an increase in production staff but also to the payment of above average salaries to such staff. I hope that, by using properly the best technology available, production will continue to expand in each office to the benefit of the shareholders of the Company as well as of its present and future employees and customers."

#### "Closed Shop" in Journalism :

"The Company has given its full support to The Newspaper Society's policy opposing a 'closed shop' in journalism. It is important for you to know the reason for this determination which arises solely from the fear that a trade union, for its own motives, could influence the content of a newspaper. This would be possible and, indeed, there is some evidence to show it is likely to happen, were all journalists of a newspaper compelled, by a 'closed shop' agreement, to be members of a particular trade union and to renounce union-made and union-bargained terms of their jobs. Should a trade union so influence a newspaper's content not only would this seriously interfere with the freedom of expression in this country but it would also prejudice the commercial viability of a provincial newspaper which relies on being able to give a free flow of information in order to render a proper and, therefore, a profitable service to its local community. The Company's Editors, under their contracts of service, are bound to give, and by being protected from undesirable pressures, are enabled to give such a free flow of news; thus for over 100 years now each of the Company's evening newspapers has fulfilled its role of community service. It is essential, therefore, that any Press Charter which Parliament may pass should prevent the operation of a 'closed shop' in journalism."

#### Advertising Volume Increase :

"Advertising volume increased during the period and current signs seem good, although with retail trade being so dependent upon national economic cycles, local demand is difficult to forecast. Advertising rates were increased early this year and further increases may have to be introduced when appropriate. There has been an encouraging amount of full colour advertising in The News and in the Echo—the latter winning a Newspaper Society production award—and our research continues to show that the use of colour is most beneficial to advertisers."

#### Productivity :

"In the Company, generally, the endeavour of the staff has been wholly admirable although there have again been some local disruptions called to serve trade union's national requirements. While such aims are seldom achieved by such disruptions, the latter are to be deplored for the way in which they cause financial loss and staff friction in the Company which strives hard to avoid and canon afford either."

#### News Shops :

"I am very pleased to be able to report that News Shops has produced a small profit this year compared to a small but significant loss last year. The experience and expertise is now available so that, if its present trend can be maintained, this subsidiary should become a profitable operation once it has the number of high quality shops it needs."

#### Staff Involvement :

"Consideration is being given to ways of increasing staff participation in the work of the Company, 'Briefing Groups', as advocated by the Industrial Society, have been introduced to improve communications. The Board is concerned to ensure proper involvement throughout the Company rather than to introduce any new superstructure without the foundation upon which it could rest."

## MONSANTO COMPANY AND SUBSIDIARIES

### Statement of Consolidated Income

(Dollars in millions, except per share)

	Three Months Ended	
	March 31	1976
Net Sales: .....	\$1,306.1	\$1,173.6
Costs and Expenses:		
Cost of goods sold .....	871.2	769.8
Marketing and administrative expenses .....	104.2	92.2
Technological expenses .....	48.1	39.7
	1,023.5	901.7
Operating Income .....	282.6	271.9
Income Charges (Credits):		
Interest expense .....	21.7	17.4
Other—net .....	(11.8)	(11.4)
	19.9	6.0
Income Before Income Taxes .....	262.7	265.9
Provision for Income Taxes:		
Current .....	101.0	105.1
Deferred .....	13.3	3.9
	114.3	109.0
Net Income .....	147.9	156.9
Deduct—Dividends on \$2.75 Preferred Stock .....	0.3	1.1
Net Income Applicable to Common Stock .....	\$147.6	\$155.8
Earnings per Common Share:		
Primary .....	\$4.01	\$4.40
Fully Diluted .....	3.95	4.19
Cash Dividend per common Share .....	\$0.70	\$0.65

Depreciation, obsolescence and depletion for the three months of 1977 and 1976 amounted to \$56.7 and \$47.0.

## FINANCIAL NEWS

### GrandMet stake in Pleasurama may bring joint ventures

By Nicholas Hirst

Grand Metropolitan has acquired a 29.8 per cent stake worth £970,000 in Pleasurama from financier Mr. David Rowland's company, Williams Hudson.

No price has been revealed for the deal but on the unchanged market quotation of the shares at 52p yesterday, Williams Hudson would have been showing a profit of £370,000 on its investment.

Mr. Edward Thomas, managing director of Pleasurama, said: "We are very happy that GrandMet has bought the stake which has been floating around for a number of years. We are pleased that they should show such confidence in us."

Pleasurama and GrandMet have a joint venture, the AM Casino in Curzon Street, London, which was bought by Pleasurama, which then offered a controlling 51 per cent interest to GrandMet. GrandMet now manages the casino.

GrandMet, which told Plea-



Mr. Maxwell Joseph, chairman of Grand Metropolitan.

sura that it was considering buying the stake before it was completed, has said it is not its present intention of making a full bid.

### Disposal of assets put GRA in the black

GRA Property Trust's £6.3m sale of its 22.7 per cent shareholding in Coral Leisure last month was completed late last year, after half-year results in end April, 1977. Without the interest savings following debt repayment as a result of that sale—savings estimated to be greater than the £534,000 annual gross dividends received from Coral—GRA turned in a half year's loss of £71,000. Profits on asset disposals turned the half-year figures £98,000 into the black.

The Stock Exchange has permitted limited dealings in the shares under Rule 163(2). But it has again refused a relisting of the stock since GRA has a net deficit of shareholders' funds and, under its scheme of arrangement, it is required to direct any trading surpluses to repayment of its main creditors. Since November 1975 asset sales of £8.8m have been made and 16p has been paid to ADS.

A Sony official said the company was taking a much more cautious stance in its approach to world markets.

#### OK Bazaar's confident

OK Bazaar (1929), the South African stores group, is confident that its current year sales will show a reasonable increase on last year and exceed the national retail sales growth for 1977-78, particularly with new store openings, the chairman, Mr. R. J. Goss, says. In year

ended March 31, group sales

were £530.57m (about £65m) against £452.7m. He said that the group forecasts modestly higher earnings for the full year.

**Swire Cheung agrees**

Shareholders of Swire Cheung Development of Hongkong have agreed to become a wholly-owned subsidiary of Swire Properties, the Swire Group states.

The scheme, subject to Supreme Court approval, is expected to become effective on July 8, if the Hongkong Stock Exchange grants a listing to the new shares.

**Occidental's hopes**

Occidental Petroleum expects

much higher net earnings in 1978, than last year's \$184m (about £105m) and a further increase in 1979 as full production is reached in the North Sea, says the executive vice-president finance, Mr. John Dorgan.

### Briefly

### Takeover talks on at Dimplex

A takeover offer may be on the way for Dimplex Industries, the radiators and electrical appliances firm. The directors, who sat at the end of last month and had asked for a receiver to be appointed, told shareholders yesterday that talks were on which "may lead to an offer for the shares of the company". A further announcement was promised "as soon as possible". Dimplex has been making losses for two and a half years and has not paid a dividend since 1974.

Meanwhile, at Monee Containers, the chairman told the annual meeting, in reply to a question from a shareholder that the talks referred to in April concerning an offer for Monee were still continuing, although taking longer than expected. A further announcement will be made in due course. Monee's shares slipped by a penny to close at 22p.

**SILENTLIGHT LDGS**

Board says that three months' management accounts in current year indicate profits should be ahead of last year.

**SEON ENGINEERING**

Overall results for 1977 expected to be better than previous year.

**LDN**

Chairman states earnings are running ahead of those at the same time last year.

**THOMES LOCKER**

Chairman confident group will produce another good result this year.

**STANDARD FIREWORKS**

Home trade order book

satisfactory and firm orders for export considerably increased with definite prospect of further business in coming months.

**YULE COTTO**

Holders of £553,725 7½ per cent convertible unsecured loan stock 1982, have voted in favour of conversion of their stock into 1,28m ordinary shares. The company proposes to exercise its right to repay the outstanding stock totalling £125,000, subject to the trustee's approval.

**JOHN STEPHEN OF LONDON**

Board has agreed to accept a

surrender of the £196,000 9½ per cent convertible unsecured loan stock 1973-78, for no payment whatsoever.

A judgment against

company previously obtained for repayment of this stock is to be set aside at the term of the settlement, and all proceedings are to be withdrawn.

**BRIDPORT-GUNDRY**

Company to acquire 90 per cent

issued share capital of Brownell & Co. and whole of Brownell Net Co. both of Connecticut.

**YUGOSLAV LOAN**

ECG has guaranteed loan of

£3.5m to help finance \$4.4m contract awarded to Farrel Bridge to supply machinery for vehicle tire factory, near Belgrade.

**SEGM FOR HELLENIC**

Greek Government has guaranteed

loan of £50m to Hellenic Aerospace, for construction of aircraft maintenance installation.

### Merrill's Panama operations are ready

By Victor Fiske

Chamberlain Phipps has turned the corner with a vengeance. The first-half recovery, as expected, has continued into the second—with the result that turnover expanded by almost 30 per cent to £45.85m in the year to March 31, while pre-tax profits trebled from £693,000

to a record £2.1m. The total gross dividend rose from 2.67p to 2.94p, the maximum allowed.

Mr. W. R. F. Chamberlain, chairman, explains that the shoe components and Phipps-Faire divisions had "excellent" years. The moulding side had poor results in the first three quarters, but after a reorganization recovered "strongly" in the final three months.

These divisions trade predominantly with footwear manufacturers, but only 45 per cent

### Chamberlain Phipps firmly on road back

of the group's sales went to United Kingdom footwear in manufacturing industry.

Chamberlain's general trading section made an improved and significant contribution to the group's profit and remains an important part of the group's growth strategy.

With trading since April "satisfactory", the chairman optimisitic on the current year.

The effect of improved production and the change in treatment of deferred tax has been a marked strengthening of reserves.

Mr. W. R. F. Chamberlain, chairman, explains that the shoe components and Phipps-Faire divisions had "excellent" years.

The moulding side had poor results in the first three quarters, but after a reorganization recovered "strongly" in the final three months.

These divisions trade predominantly with footwear manufacturers, but only 45 per cent

made by overseas companies.

### Mr Walker's sales to six friends

Hard market

hearts went momentarily after the news that Mr. George Walker, 47, year-old brother of former boxing champion Mr. Billy Walker, and Chief Executive of Brent Walker, has sold a lot of shares.

He has disposed of around 11 per cent of the leisure conglomerate's total equity. But he still has 20 per cent left.

Mr. Walker told Business News that the sale did not mean any loss of confidence in the group. He explained:

"The shares went to six associates, people with which Brent already has friendly business connections, so I think that the deal will be beneficial.

Panasonic will buy 25% of the "silent partner" at first in the granting of credits and in the participation in internationally syndicated loans. Yet Merrill Lynch has been impressed by the financial community evolving in Panama—little Wall Street" as this community is now described. Panama also offers the advantages of a dollar currency, maximum tax rates of 50 per cent and nil liability for international offshore operations.

The deal was struck at 25p when the shares in the market were only 23p. Mr. Walker has hardly profited from it. The shares are now 30p, so the associates now have losses worth £180,000, not before expenses and gains tax they have already cleared a profit.

At the trading level, Seaford has cut its loss from £140,000 to £117,000 while that Atlantic Fisheries, which had £38,000 to £129,000, it has been decided to dispose of Mills.



## Stock Exchange Prices

**John Foord**  
chartered surveyors

## Quiet start to the week

ACCOUNT DAYS: Dealings began, June 13. Dealings end, June 24. Contango Day, June 27. Settlement Day, July 5

Forward bargains are permitted on two previous days.

**John Foord**  
plant and machinery valuers

Steppings  
CONSTRAT

1976/77 High Low Stock	Int. Yld Price Chg/100 Yield	1976/77 High Low Company	Price Chg/100 Yield												
<b>COMMERCIAL AND INDUSTRIAL</b>															
<b>BRITISH FUNDS</b>															
<b>COMMONWEALTH AND FOREIGN</b>															
<b>LOCAL AUTHORITIES</b>															
<b>FOREIGN STOCKS</b>															
<b>BANKS AND DISCOUNTS</b>															
<b>BREWERIES AND DISTILLERIES</b>															
<b>INSURANCE</b>															
<b>INVESTMENT TRUSTS</b>															
<b>PROPERTY</b>															
<b>OIL</b>															
<b>TEA</b>															
<b>MISCELLANEOUS</b>															

The Times Share Index for 1976/77

1976/77 June 21, 1977 original base date

1976/77 latest date

Index Div. Yield

Latest %

%

The Times Industrial

Share Index 184.42 7.8 11.97

Largest Cays. 173.49 7.0 14.04

Cap. Goods 187.43 9.8 22.35

Consumer Goods 182.22 7.8 11.70

Stock Shares 186.67 7.8 11.80

Largest Financial

Shares 186.68 8.0 11.81

Commodity Stcks 210.62 4.8 11.80

Gold Mining

Shares 208.43 9.8 22.35

Industrial

A record of The Times Industrial

Index is given below.

High

Low

Airlines 388.67 10.0 22.32

Banks 271.95 10.0 22.32

Bills 255.92 10.0 22.32

Cables 248.20 10.0 22.32

Chemical 240.00 10.0 22.32

Food 234.47 10.0 22.32

Fruit 234.47 10.0 22.32

Gas 234.47 10.0 22.32

Gold 234.47 10.0 22.32

Manufacturing 234.47 10.0 22.32

Metals 234.47 10.0 22.32

Oil 234.47 10.0 22.32

Rubber 234.47 10.0 22.32

Textiles 234.47 10.0 22.32

Trade 234.47 10.0 22.32

Transport 234.47 10.0 22.32

Utilities 234.47 10.0 22.32

Wool 234.47 10.0 22.32

Yarn 234.47 10.0 22.32

Zinc 234









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Secretarial Appointments 7 and 25  
Services 26  
Situations Wanted 26  
Wanted 26

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London WC1K 3EZ

Headlines for cancellations and notices of deaths, except for notices of deaths, should be sent 13.00 hrs prior to the day of publication. Notices of deaths and the deadline is 12 noon. Notices of deaths should be sent to Step Number 100 and a Step Number will be issued to each notice. Please refer to subsequent notices regarding the cancellation of Step Number 100.

PLEASE CHECK YOUR AD. We make every effort to avoid errors. If you find one, please let us know. We are not responsible for advertisements that are handled by agents. Please let us know if we ask for you, that you check your ad. If you find an error, please let us know. We are not responsible for any subsequent notices regarding the cancellation of Step Number 100.

"Depart from evil, and do good: for good is evil's foil." —Paul

BIRTHS

ALMONE-MARSH.—On June 14th, to Philip and Giselle—a daughter.

DANNES.—On 16th June, at home, to Giselle and Philip—two sons, and Hollie—a son, brother for

BARRATT.—On 19th June, 1977, at Oxford Street, Liverpool, to Elwen and Caroline—Elwen, a daughter.

BENNETT.—On 19th June, in Cresswell, to Alan and Linda—two sons, and a daughter.

BELL.—On the 20th, prematurely, at home, to Charles and David—two sons, and Charles Alexander, a brother for Linda.

BROOKS.—On 19th June, at George's Cross, to Philip and Alison—two sons, and a son, brother for

BUCHANAN.—On 19th June, at George's Cross, to Philip and Alison—two sons, and a son, brother for

DAVIES.—On 19th June, in Southgate, to Linda and Michael—two sons, and a daughter.

DRUMMOND.—On 19th June, 1977, in London, to Liz and March—two sons, and a daughter.

ENGLISTON.—On June 17th, at R.C.H. Hospital, Unley, Winchcombe, to Philip and Timothy—son, and Timothy—son (Robert).

GOLDBRITH.—On 19th June to Jon 19th, Barker's and Barker's son, William—son, and Barker's daughter, Linda.

HOLMES.—On 19th June, 1977, at St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

LINDSEY.—On 19th June, 1977, at St. Thomas's Hospital, to Carol—two sons, and Michael—son (Robert).

MARSH.—On 19th June, 1977, to Mount Alvernia, Liverpool, to Philip and Andrew—son, and Linda—daughter.

MCINTOSH.—On 19th June, 1977, to St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

MORRISON.—On 19th June, 1977, to St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

NEARY.—On 19th June, 1977, at St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

ROBERTSON.—On 19th June, 1977, to St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

SCOTT.—On 19th June, 1977, to St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

THOMAS.—On 19th June, 1977, to St. Thomas's Hospital, to Ann (nee Thomas) and Michael—two sons, and a daughter.

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Special Report

FOCUS ON

## UNITED ARAB EMIRATES

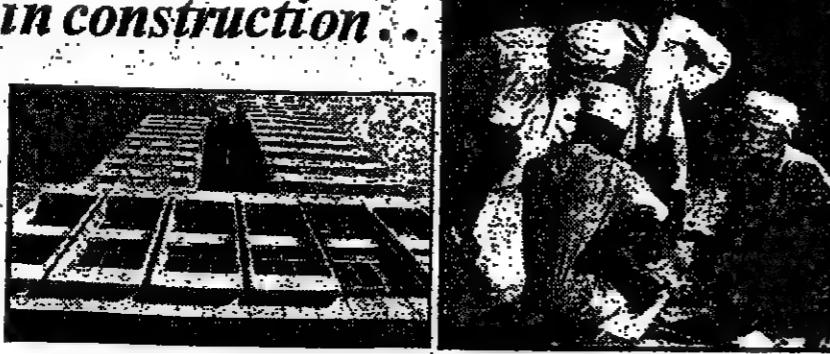
Generation's growing pains... search for greater

...bing the property speculators... sharing the

...boom in construction...

...muggling...

...migration...



unity... crisis in banking...

...federal budget... one-army

a sea of ports... reduction

...centralizing authority...



contending with

...university in the desert...

...oil and the future

Sheikh's reelection  
brings a  
new normality

by Ann Fyfe

Zayed's five-year practice play no role in internal politics.

During a border dispute between Dubai and Sharjah in 1976, Sheikh Zayed had tried to insist that this and all other sensitive, if not the most important, disputes of his kind fell within the jurisdiction of the supreme federal court, set up to arbitrate in just such cases of disputes between the emirs themselves, but as yet untested. A solution, unprecedented in a sense more than the merger, was reached and the matter disappeared from the headlines.

The second issue, the failure of the emirates other than Abu Dhabi to contribute to the federal Budget, was in some respects the most crucial of all for the budget, to coin a phrase, costs money. To the public at large, immigration was one of the burning issues of the day and contradictory, often ineffective rules were in force in each of the emirates, which maintained their separate police, immigration, security and intelligence forces.

His reelection date approaching, Sheikh Zayed announced his resignation. There being no other conceivable candidate, his threat was not at first taken seriously. But as he remained silent, it became apparent that he would no longer preside over a federation in so federated a country as the UAE. A solution, diplomats called upon to report on the prospects for the UAE without Sheikh Zayed, had difficulty in concluding that they had not

reached a second term in office, the council formally reelected him and all returned to normal, albeit a new normality.

Winter 1976 was thus a time of intense, secret negotiations between officials of both the U.A.E. and the U.A.E. hero fighting off allow beauteous "dissident" and even a small demonstration—the UAE's first. Although only the seven members of the Supreme Council elect the president, newspaper advertisements and street banners appeared in number supporting Sheikh Zayed and employing in their announcements an old Arabic verb which means to renew tribal allegiance to a leader or pledge one's loyalty.

After a critical meeting of the Supreme Council which consists of the seven emirs, the police, security, intelligence, immigration and information services followed the armies into federal control in November. Sheikh Zayed agreed to a second term in office, the council formally reelected him and all returned to normal, albeit a new normality.

month's budget, when the new formula governing their contributions to the central budget was finally leaked.

Abu Dhabi, financier of the federation since its formation in 1971, certain clauses in the successor document became the subject of lively debate and in the end could not be agreed upon.

As a result the constitution in force is the temporary charter extended for a further five years with certain crucial amendments reflecting the concessions of the emirates to the central authority, principally the merger of the Armed Forces.

With the merger was born of mostly symbolic importance. In the past, the emirates of societies that

are historic in that it specifically removes from the individual emirs the right to levy troops or purchase arms, that text-book

definition of sovereignty. But the disposal of each emirate's individual revenues has also become a partly federal decision since last

month houses managing so many Eurocurrency loans, the most reliable estimates of this otherwise closely-guarded secret seem to be those in the region of \$1,500m a year.

As part of the attack on inflation, this year's budget is relatively small. Before its publication, Sheikh Sultan announced a freeze on new appointments in the swelling bureaucracy, a further cause of popular complaint, but 9,000 new

Civil Service appointments were subsequently approved. Most bitterly resented of all inflationary manifestations, however, has been rent racketeering, and the mass of the population will greet the bursting of the property bubble with relief.

Wide-scale property development as a concept has been used by the rulers as the most immediate and easiest way of distributing wealth. Sheikh Rashid of Dubai two years ago set up a fund to help middle-income

families to develop their land, spreading cash and alleviating the housing shortage at the same time. This year both he and Sheikh Zayed of Abu Dhabi have created new funds for the same purpose.

But blatant land speculation and gross profiteering by a handful of large landlords was the last thing the rulers intended. The level of rents has given capitalism a face unacceptable even in the unrepentantly capitalist Gulf.

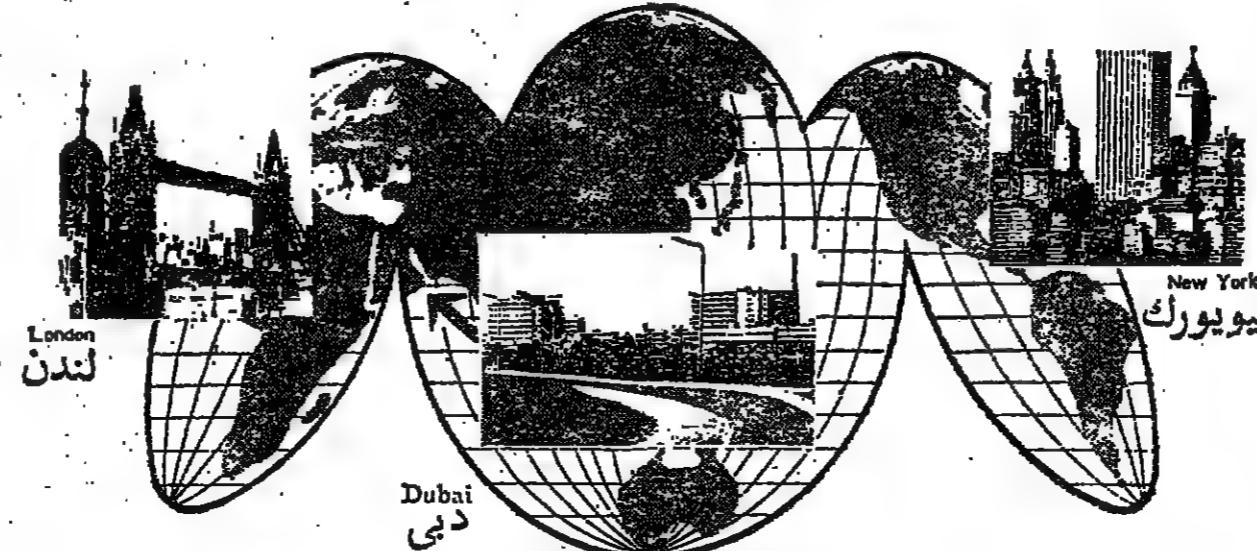
Supply has in the past six months or so caught up with demand, some observers think, after the publication of this year's budget, the National Assembly with some enthusiasm got hold of that formula. Each emirate was to hand over 23 per cent of its revenue to the federal balance-sheet. Immediately it was known that the market has turned. Instead, they tend to lay the blame elsewhere and the beginnings of a backlash are discernible, at this early stage apparently limited to a campaign against foreign real estate companies.

continued on next page

بنك دبي الوطني المحدود

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Established 1963 under charter granted by  
His Highness Sheikh Rashid bin Saeed al-Maktoum,  
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Authorised Capital Dh. 60,000,000

Paid up Capital Dh. 36,662,200

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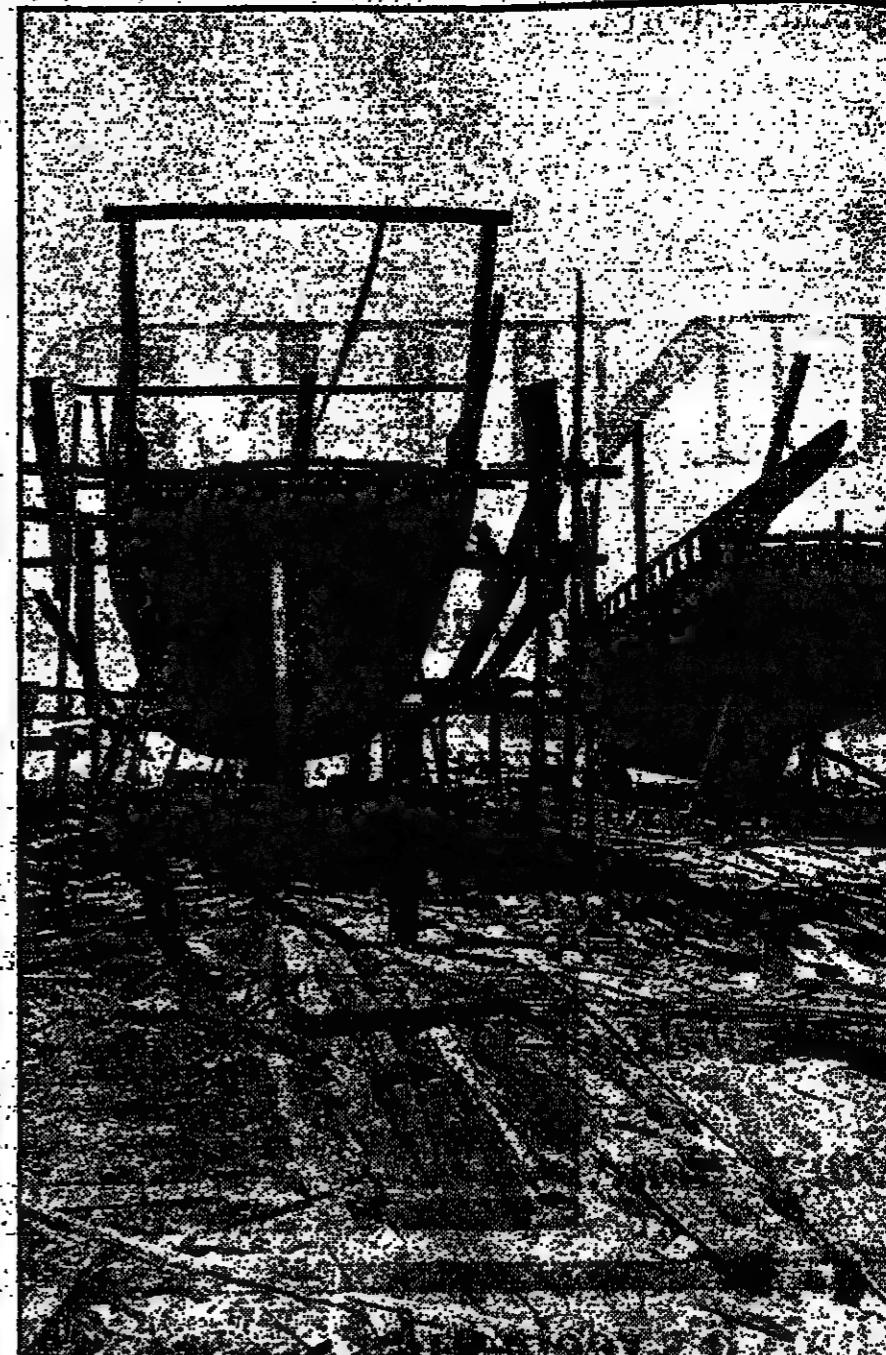
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# FOCUS ON

## History



Crumbling house in the old merchants' quarter of Dubai. Right: building dhows in Ajman.

## 150-year British tutelage began with reprisals against pirates

by Denis Taylor

On June 26, 1902, the rulers in what is now the United Arab Emirates marked the coronation of King Edward VII with a public holiday. In November the following year Lord Curzon, Viceroy of India, held a durbar of Sharjah.

These events are recorded by J. G. Lorimer in his exhaustively detailed *Gazetteer of the Persian Gulf, Oman and Central Arabia*. His history was published in Calcutta in 1915, and the author reflects the manner in which the British have seen The Gulf for most of modern times, that is in an Indian perspective.

The British now regard The Gulf as a great area of economic opportunity lying to the south-east of Europe. In the late eighteenth and early nineteenth centuries, the southern Arab side of The Gulf was looked on as a nest of pirates north-west of Bombay.

Lorimer presents what Arabs would see as a somewhat jingoistic picture of the problem. From the Arab viewpoint, the Qasimi of Ras al Khaymah were exercising their custom by levying tolls on shipping, and the consequence of their position in The Gulf led to conflict with British power.

The British appear to have been fairly patient to begin with. An agreement designed to avert further strife was signed in 1806. The strength of the Ras al Khaymah Fleet was considerable. In his *Ras al-Khaymah - Flame in the Desert* (Namara Publ.

ations and Quarantine Books, 26-50, Michael Dean) says it was estimated in 1807 that it had 870 vessels carrying 19,000 seamen and soldiers.

British anger was aroused by such incidents as the loss of the *Misra*, a merchantman whose crew were killed after capture. High Indian nation was aroused when the widow of one of the officers, a Mrs Taylor, was released.

After a successful British expedition against Ras al Khaymah, an attempt was made to destroy piracy by denying the pirates timber.

But the Arabs were able to acquire the necessary materials to build new ships.

Defences and vessels destroyed

Ras al Khaymah, Sharjah, Umm al Qaywayn and Ajman were all taken by the British in 1819 and 1820. Dubai, although more noted for pearls than pirates, also had its defences and a number of vessels destroyed.

This campaign effectively marks the start of 150 years of British tutelage. A series of treaties in 1820, 1833 and 1853, the last called a permanent treaty of peace, was signed.

British official reports of maritime irregularities replaced those of piracy. But warfare continued intermittently inside Trucial Oman as the area became known.

Dubai owed its ascendancy to pearl fisheries in the 1930s, and was generally acknowledged

as something of a waste, the do not denote lack of me-

UAE used to be like should but the young are said

to drive the short distance from

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Sharjah to the relative

quietly of Ajman, where old is regarded as backw-

ards. The excavation of Bro

along the beach.

He should also walk

through the old Persian mer-

chants' quarter near the fort

houses with the wind towers

something in between

survive.

## Shaikh's reelection brings a new normality

continued from preceding page

for the general public, now comes second only to prices as a contentious issue. UAE citizens comprise, it is estimated, about a fifth of the country's population and although this state of affairs is of grave concern to economists, remarkably little ill-feeling has erupted so far on either side. That is despite pressing social problems among the Asian community and occasional horrifying incidents like the drowning of several hundred people, including elderly immigrants and children, when an attempt to smuggle them ashore illegally in Fujairah was foiled during the winter.

A UAE visa can fetch Rs20,000 on the black market in Pakistan, where Rs100 a month is a good salary. But the UAE still has only a lacuna where it so urgently needs a population policy. Jebel Ali's industrial town,

do away with modern amenities and the improved standard of living, but a feeling is just discernible that the boutiques, nightclubs and projects for reviving restaurants may have reached the limit of what can comfortably be assimilated. A little nostalgia for a simpler life is in the air.

My impression is that religious practice may have been revived among UAE nationals. The evidence, notably the extension of Sharjah law in Abu Dhabi, the controversial opening of fresh Koran learning in institutes, renewed exhortations by the Head of State in his public speeches for abstaining from alcohol and other degeneracies and the interruption of colour television programmes in cosmopolitan Dubai, for prayers, introduced in May, is tenuous in the extreme. But Ramadan too, was taken more seriously last year than the year before.

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## FOCUS ON

Al-Ain

## Oasis where romance has given way to growth

Al-Ain, after a false situation which is not true, inland oasis actively challenged by the desert from Abu Dhabi. This is a town without significance. The UAE President is not only a formal government of the district, but his relationship with Al-Ain has always been very personal.

The place is also less Al-Ain on its present scale is recent, archaeologists have discovered burial places near by pointing to settlement of the area 5,000 years ago.

It is a growing town equipped with a Hill and soon to house the Arab Emirates. The caretaker of the market and the shops is from a complete town and the surrounding area.

Five minutes away by a good road is the town of Buraimi, the capital of Oman. There is a road that you have seen and without any check, crossed into Oman. Oman is no longer a poor country but the wealth in the form of Abu Dhabi that was recorded in Mazid. Strong winds are another hazard and 4,000 trees, among them: eucalyptus, were planted to protect the project.

But since production began in 1973 M Jean Bellivain, director of Al-Ain

with British help, Saudi claim to the

territory, was in 1970. It has not

decided whether the

return between Saudi and Arab in

Buraimi. But rela-

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and the UAE, and

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A senior official is

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## FOCUS ON

### Banking

## Currency Board takes on a new look

by Ann Fyfe

Quite a few new words such as credit squeeze, downturn, even recession, and finally bank failure, not previously in use in the UAE, came into circulation with the UAE Currency Board's May measures to tighten control of banking practice. In fact, the currency's dominating internal issue is fuelled by forces peculiar to the UAE economy, notably the soaring costs of much-delayed government projects, excessive lending to property developers exploiting the housing shortage and burgeoning consumption of imported goods, themselves ever-increasing in price.

Imported costs apart, all three indigenous inflationary influences were capable of control by the federal authorities, given the will to exercise that control. That will has now been demonstrated with a force which took the banking community by surprise and which eventually brought about reactions that led to a complete change in the structure of the Currency Board.

Although 1977's budget totals 10,900m dirhams (£1,600m) against 4,200m dirhams last year and 2,800m dirhams in 1975, the only comparable increase is of 135m dirhams (£22m). Abu Dhabi, which since the 1976 budget has contributed 50 per cent of its individual revenue to the federation, has this year transferred its expensive Departments of Education, Health and Information to the federal budget, account-

ing with the investment allocation of 1,600m dirhams, for 5,600m dirhams in all. Excluding these two accruals, the 1977 budget is only 4,300m dirhams.

That small increase is itself largely recorded under current expenditure, principally salaries for the state's 34,000 civil servants whose number is soon to be increased by 9,000, despite a strict policy of freezing or cutting down on new appointments wherever possible. New projects—and this is the point of the new budget—receive only 147m dirhams. Sheikh Sultan of Sharjah, higher budget committee chairman, said at the beginning of the national debate on the budget that projects approved in previous financial years were being exceeded at a rate of only about 40 per cent; a national outcry followed against delays in completing housing projects, hospitals and public facilities. As far as the economy is concerned, however, the most serious effect of these delays is a constant rise of the cost of living.

Inflation is calculated by the UAE Currency Board to have exceeded in 1976 the average of about 30 per cent a year, whereas from 1974 onwards, in the case of food, however, the Ministry of Economy and Trade recently released a report showing that over the past three years the price of fresh vegetables has risen by 100 per cent, poultry and fish by 80 per cent and coffee by 165 per cent. The too much cash chasing too few goods definition of inflation is not fully applicable to the UAE where, on the contrary, ample and indeed excessive quantities of goods, almost all imported, have become available, draining foreign currency reserves and encouraging soaring consumption. Imports are estimated to have reached a level of \$3,500m in 1976 compared with \$1,700m in 1974.

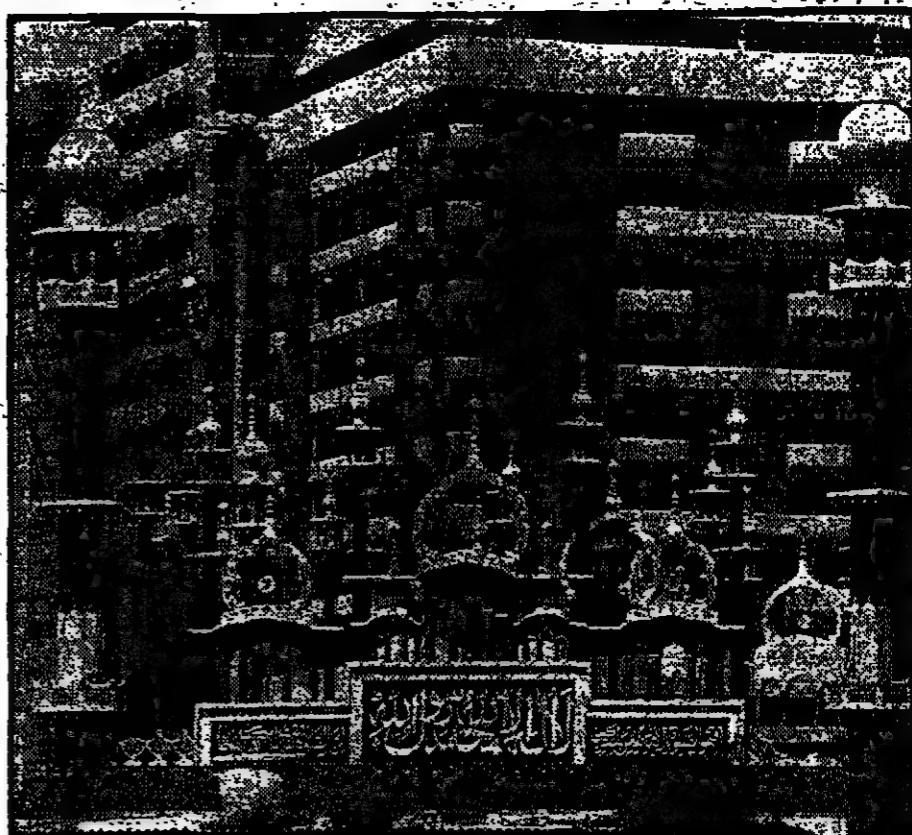
The one commodity the supply of which has failed to meet demand has been property and, in this instance the result has been gross profiteering. Residential rents have risen from 120,000 dirhams (£20,000) a year for a new house in the residential suburbs and 80,000 dirhams (£13,500) for an average office in one of the new tower blocks. Construction has absorbed 42 per cent of all credit extended in Abu Dhabi and about 20 per cent in the northern emirates, where the import trade absorbs the larger part of bank lending. Private sector credit as a whole rose 85 per cent during 1976 (69 per cent during 1975) and by acting to restrict its further growth the UAE Currency Board has struck with one blow at the two roots of domestic inflation.

Local banks were not obliged to lodge 7.5 per cent of their deposit liabilities in dirhams with the board, as distinct from the 5 per cent in force from May, 1976, to May, 1977, and will observe in addition a deposit/advances ratio of one to 15, accepting further directions from the Currency Board in the case of some individual banks. Mr Ron Scott, UAE Currency Board managing director, now replaced by a three-man committee of local citizens, explained that the purpose of the credit squeeze (not his own phrase) was to reduce fairly quickly the quantity and variety of goods available in the shops, thus stemming the outflow of foreign exchange and discouraging unnecessary consumption.

Soon after, the squeeze was tightened by regulations requiring compulsory deposits of 25 per cent of the value of all letters of credit and 10 per cent of all bank guarantees, but the reaction was so hostile that the head of state annulled these two measures by decree less than a week after their introduction.

Property prices, it is widely felt in the banking community, are now stabilizing of their own accord with the completion of thousands of state and private developments. But good news for the citizen is bad news for those banks which have become heavily involved in lending to property.

The management of a handful of the newer, smaller banks had been causing concern for some months before the board acted. Earlier in the year, when demand for dollars brought the dirham almost to its floor, the board had sold dollars cheaply in the market to counteract the



Abu Dhabi's new buildings overshadow the traditional minarets and colonnades of the Arab world.

trend, with the result that the larger banks called in their loans each of 100m dirhams on short term, a note in that policy by Al-Ghurair, da Navagation and Caissse Nationale d'Epargne of Tunisia and private borrowers. Coupons vary from 3 to 9.75 per cent and foreign exchange for the conversion of these bonds is not available from the Currency Board; it has to be bought in the market.

The Currency Board is clearly acting as a central bank in taking decisions affecting the management of the economy, and difficult decisions at that. Credit线条 are not going to be popular with the powerful landlords and merchants who are also the owners of the smaller banks and who have been granted their power to block measures taken to their own interests. Despite having brought the 12 international banks under their control by their culpable lack of prudence during the boom, it is not inconceivable that they will now clamour for "special" treatment. The new Currency Board has a difficult balance to strike in the months ahead.

Local banks were brought in April 1976 into the scope of the board's management by the licensing of new banks. At that point some 53 commercial banks had been licensed, compared with 20 three years previously. The functions of the managing director of the Currency Board have been assumed by three local men previously in finance—Abdullah Al-Nuaimi, Abdulla Al-Mazrou and Ahmad Tawfiq. Two men from the Bank of England have recently arrived to see if any help can be offered.

Leaving aside these political dramas, the international market and related banking service areas have developed steadily, the former benefiting from the activities of the 12 international banks.

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# Focus On

## Smuggling and Port Rashid

### End of era in the gold trade

By M. Taylor

is once synonymous with smuggling. It is of the contraband of the world, but longer retains its pre-eminence.

Never features in published trade statistics while an era in trade is over, gold to be imported.

Only 400 tons shipped to the Middle "When India is out, Iran is in. When Pakistan is in, and so on. There are always some outlets", he said.

Local business tend to have diverse interests. They

now supersede their role in India. One

trader estimated

at a ton of gold was

each week to

put its trade

below that of

smuggling.

When goods from Dubai enter another country they

may do so perfectly legally

as well as unofficially. It is

assumed, however, that

because of their voluntary

nature, reexport returns

record less than the total

leaving the country.

Construction equipment is

brought in to Port Rashid

for overland despatch to

other parts of the UAE, to

Dubai was able to Saudi Arabia, Qatar and

UAE. Cars and consumer

durables are also shipped

to India for reexport to the rest of

the world.

A trader said that Saudi

role in Indian life

Arabia and Iran were now

as has been able to the most important outlets

for amounts to a reexports from Dubai.

Irak, Qatar and Oman, nine

tenths of UAE reexports go

the much prized 10-ton bars.

The emergency proclaimed by Mrs Gandhi, the former Indian Prime Minister, in 1975, led to a crackdown on smuggling into India, and there is some speculation that prospects may improve now that she has lost office. But Indian policies aside, the heyday of gold smuggling had already passed by the time of the emergency.

Another merchant made

the point that Dubai rang

the changes with its goods

and their destinations.

"When India is out, Iran is in. When Pakistan is in, and so on. There are always some outlets", he said.

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important than the other, through Dubai, which has but they were certainly the best port facilities.

According to the Dubai statistics office, the main category of imports in 1976 was machinery and transport equipment, totalling a couple of dozen. But the wave of large-scale watch smuggling has also passed. Many of the Swiss and Japanese watches on sale in the bazaar are taken back to India and Pakistan, but by

importers dealing directly.

The latest accent is on electronics. "I have got a customer who imports probably 30m to 40m dirhams of the rest of the field, it worth (545m to 565m) of has with one exception been

tape recorders and other overtaken every year since

electronic equipment in 1972 by Japan. The odd

year, very little of which is sold on the local market", a banker said.

As well as cassettes, transistor radios, hi-fi equipment and other Japanese products, vast quantities of textiles and clothing from the Far East, particularly jeans, pass through Dubai.

A stroll along the creek is one of the more interesting ways to spend half hour in Dubai. The dhows lining the banks are sleek, powerful vessels, equipped with

engines for the voyage as far as India, Pakistan or even down the east African coast. Stacked alongside may be crates containing anything from refrigerators to china and dried mackerel. canned foods are now a leading import to the UAE.

It is said that there is nothing illegal smuggling in Dubai may send out what without notifying authorities. No UAE broken if goods out later enter country illicitly.

Ad route developed

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emergency.

It used to be said that

enough watches were im-

ported into Dubai for every

local inhabitant to own a

couple of dozen. But the

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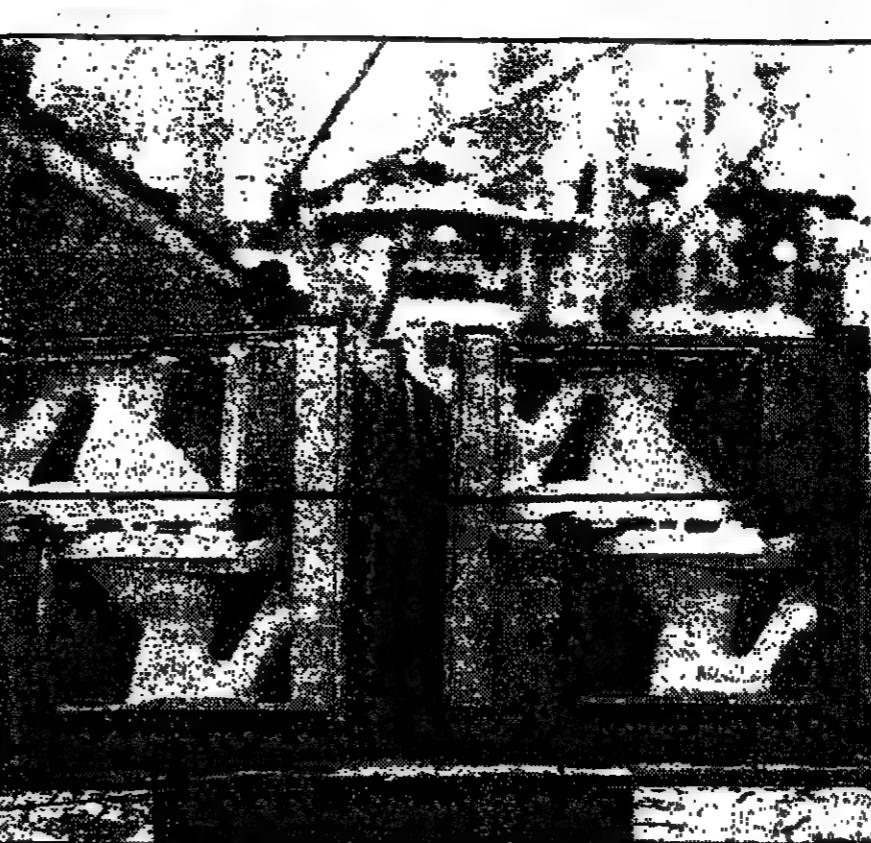
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ways to spend half hour in

Dubai.



**Scenes at Port Rashid, Dubai, a former dhow anchorage, one of the new ports handling the emirates' cargo boom. Nineteen berths deal with more than four million tons of cargo a year.**

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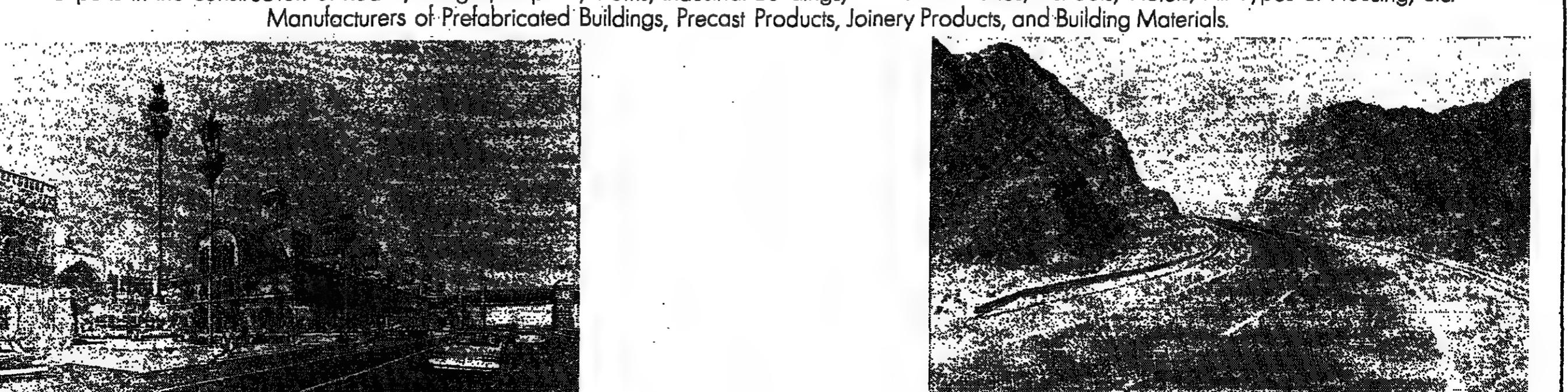
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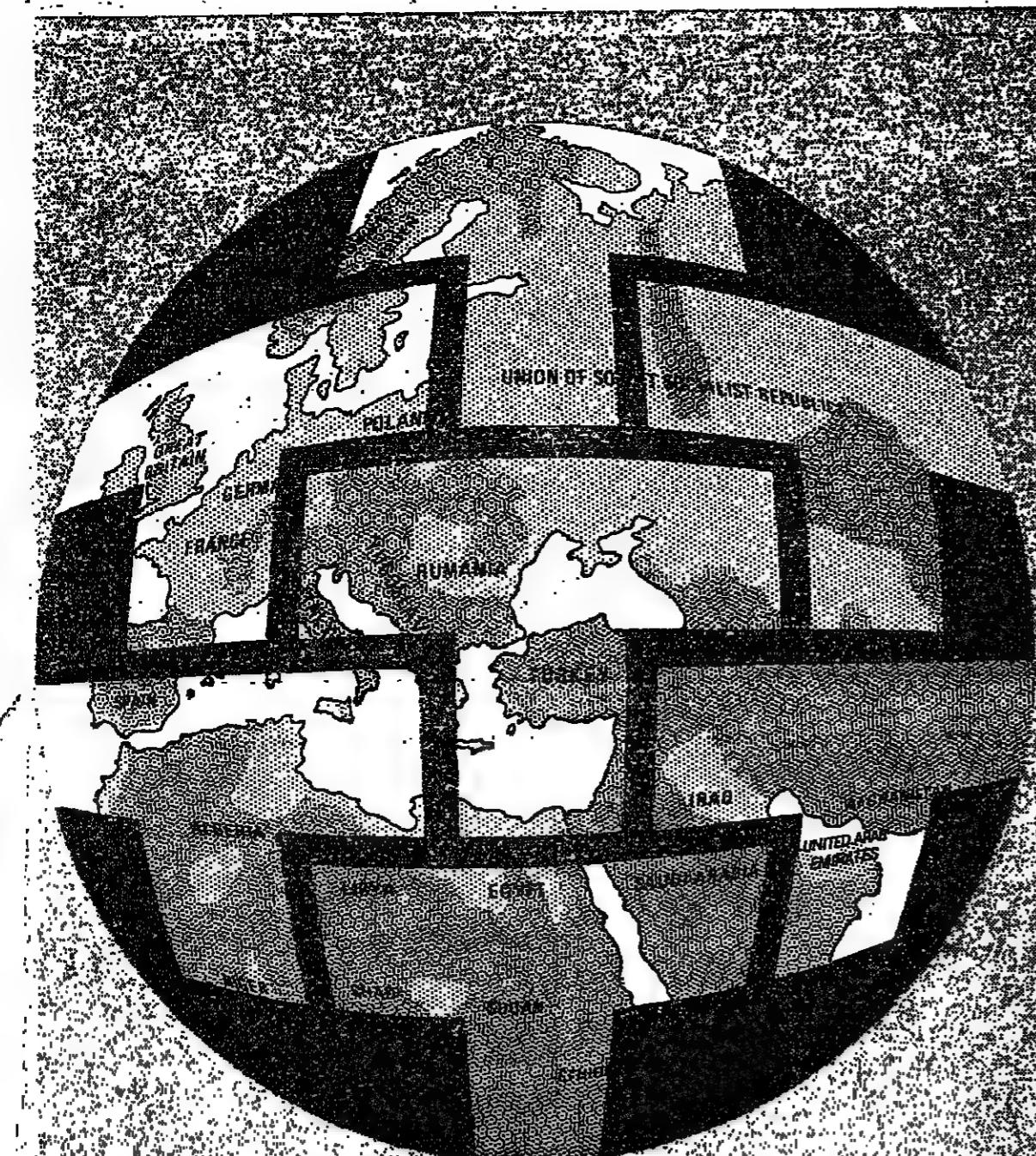
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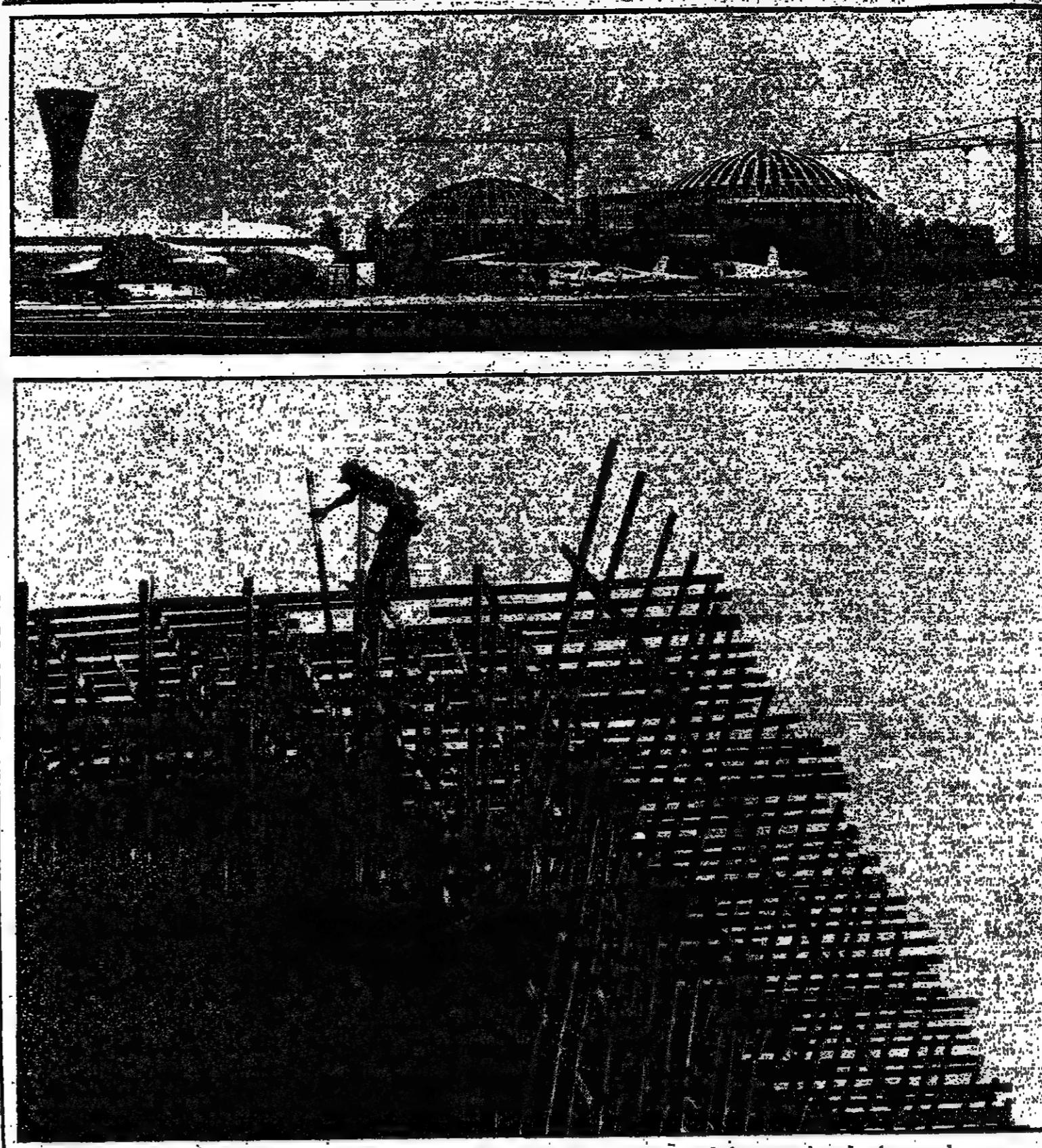
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## FOCUS ON

Airports and construction



Building work in Abu Dhabi, where the development of a second international airport has proved necessary. Top, the Sharjah airport which opened early this year and is initially concentrating on freight

## Takeoff from primitive beginning to prosperity in jumbo era

by Tim Edgar

The United Arab Emirates, with one of the highest per capita incomes in the world and one of the highest ratios of banks per head of population, is also becoming a leader in another area. It has one of the highest ratios of international airports per head in the world.

Few countries of just 30,000 sq miles and a population barely touching 700,000 can boast eight international airports.

That is how many the UAE now has in operation, under construction or planned in the seven emirates that form the federation.

Little more than two decades ago, aircraft were making water-ski landings on Dubai's creeks and were being refuelled from 50-gallon oil drums brought out to them by boat.

Today it is a completely different picture and at the UAE's busiest international airport, Dubai, there are 26 international airlines operating 236 scheduled flights a week. Including transit passengers, the airport topped the one million mark in

1976 for the first time.

The British-designed and built airport was opened in 1971. It was designed by Page and Broughton and constructed at a cost of £5m, by Costain Civil Engineering.

Soon afterwards, Costain was awarded a further £3m contract to reconstruct the runway and taxiways enabling the airport to accept jumbo and wide-bodied jets, which now constitute 30 per cent of total traffic, a 17 per cent increase on last year.

The airport serves Dubai (population 210,000) and, to a large extent, Sharjah (population 90,000). It was also the first airport in the Middle East and only the fourth in the world to install a computerized departure control system - called LOPAC (Load Optimization and Passenger Acceptance Control).

Under a first phase plan and facilities it is still one cost of £125m, and is expected to open in 1979. The capacity to handle 170,000 tons of freight a year and will be able to handle 250,000 tons a year.

Ras Al Khaimah international airport opened in March last year. It is one of the largest airports in the area with some of the most advanced equipment and managed by International Aerodrome Ltd (IAL).

It is one that has certainly been built for future opposed to present needs and is still suffering from reluctance by international airlines to route flights through the emirate.

Only last month Bechtel, although it is second to be engaged to carry out a study of Dubai's air traffic two to three years of the needs of the future and the airport opening, and the capacity of the airport will design allows for extensions firmly hinge upon the funds to duplicate the terminal figures of the report. But the building and provides separate facilities for cargo and handling and storage.

Dubai's second international airport is still in the planning stages. It is to be in the century this capacity will be built at Jebel Ali, 30, is to be increased to six miles from Dubai's city million.

Abu Dhabi's international airport, where there is to be a new industrial centre, will be built in a new industrial area.

At first only one runway will be constructed, and will be in the planning stages. It is to be increased to six miles from Dubai's city million.

Also in Abu Dhabi runways and cater for 15 million passengers a year.

Today, three airlines international airport. A site has been chosen but final design plans are still on the drawing board.

It is expected to join the North of Dubai, the new Sharjah international airport in October. It will be a long time, however, before the airport is ever used to anything like capacity.

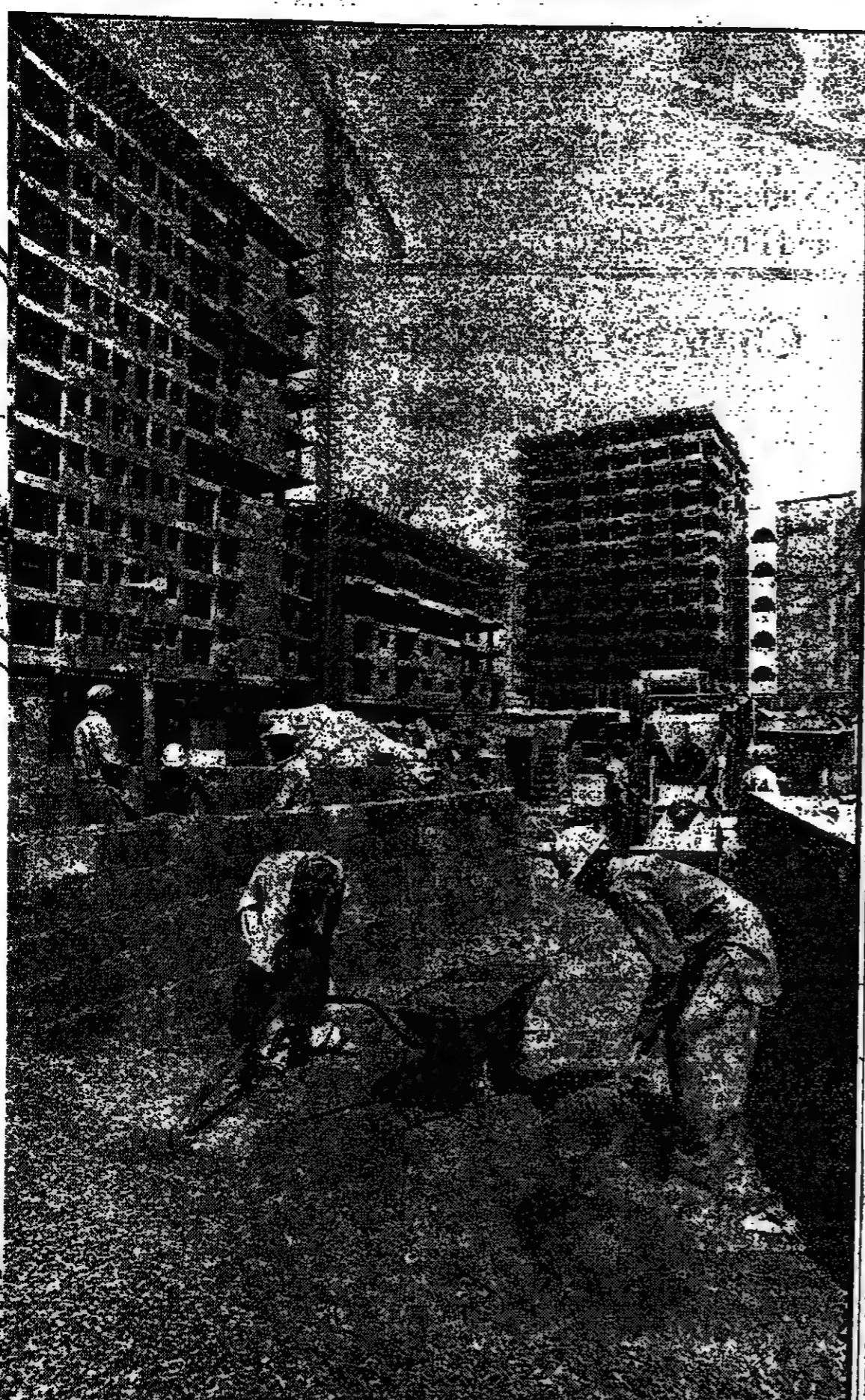
A Canadian company, Aviation Planning, is carrying out design proposals for the eighth international airport which is to be in Fujairah on the east coast.

It is likely to be at least another six months, however, before the plans begin to materialize and another year and a half after that completion.

But, ironically, despite the proliferation of airports, the only way to travel from emirate to emirate remains as a choice between trying to get a seat on a scheduled international flight which is en route somewhere like London chartering an executive jet.

It seems reasonable to suppose that there might be a market for a flying service. But, with an emirate largely responsible for its own negotiations with airlines for traffic

continued on facing page



by Denis Taylor

It would be foolish to try to predict how long the building boom in the United Arab Emirates will last. For a start, although the entire country is only the size of Scotland, the construction industry is responsive to widely varying influences in different situations.

Abu Dhabi is the richest emirate, indeed on paper it is the richest place on earth if you divide its oil income by the fairly small number of people living there—236,000 according to the 1976 census. Driving along broad streets lined with multi-storey buildings and intersected by seemingly endless roundabouts, it is today hard to believe that the town did not have a single school until 1966 and that a few years before that the dwellings were simple fishermen's huts made of palm fronds.

Not everybody has an air-conditioned flat or villa equipped with a colour television set. There are still Bedouin living in simple shelters in the hinterland, as well as immigrant labourers living in tents and overcrowded houses. But the transformation in the conditions of most local people, in terms of housing, medical care and education has been startling. Given what has been achieved in the last decade, it may seem unlikely that the next 10 years will see such a spectacular burst of activity, and that this will be more a time of consolidation.

It will be interesting to see if plans for the proposed new port and industrial area at Ruweis embarking on an oil refinery, petrochemical and gas liquefaction plants at an estimated cost of more than \$2,000m will go ahead unervised. This would involve building

roads, airports, schools, hospitals and power stations could take another five or six years. He said it was hoped that the industrial expansion would be completed by 1990.

There is no shortage of projects either under way or for which tenders have been invited. The estimated total cost of the Abu Dhabi International Airport, scheduled for completion by 1980, is 1,000m dirhams (about £150m). The consultants are French (Aéroport de Paris), and Greek, Japanese and Indian contractors are involved in the work. Although British architects, engineers and contractors have established links in the emirates they face increasing competition from Europe, Japan and South Korea.

There is a shortage of hotels in the area. Only a few days ago the British architects, Rothermel Cooke, were appointed sole consultants to design and supervise the building of an £18.5m hotel for the UAE Development Bank at Abu Dhabi.

Sir Alexander Gibb and Partners is the consultant for the port of Abu Dhabi.

It may take eight to 10 years to complete the 63 berths now envisaged.

Other Abu Dhabi projects

include power stations and seawater desalination plants, water pipelines, hospitals and extensions in Abu Dhabi.

At a time when

a new town of between Abu Dhabi and Al Ain, and military airports and installations of the tanker market it may be built. But should the day come when the demand is there, Dubai will have the best dry dock facilities between Europe and the Far East.

Costain-Taylor, Woodrow Joint Venture are the contractors for the £162m

Al Dhuhi concentrating on the emirate's stock.

British Smelter Constructors, in which Wimpey is

one of the partners, won

the contract to design and

build the Dubai aluminium

smelter, which will cost at least £350m and is scheduled for completion by the end of next year, and Sir William Halcrow and Partners are the consultants.

The power of a ruler like

Sheikh Zayed of Abu Dhabi

or Sheikh Rashid of Dubai

is not to be underestimated

despite the superficial intrusions of modernity. If they decide they want to build something it is likely to be built.

If people in Dubai point

to what they see as the uncontrolled development of

Sharjah, there is an element of political rivalry there

and also a feeling of commercial superiority.

Dubai is a long-established trading centre and people there were wise in the ways of finance when the Abu Dhabians lived a simple pastoral life. Development in Abu Dhabi gradually followed old customs. Sheikh Rashid borrowed against projected oil income to build his first hospital.

Dubai is also being true to its commercial traditions by putting up what is believed to be the highest structure in the Arab world, an international trade and conference centre which will be 39 storeys high when completed by Bernard Sivley and Sons. The exhibition hall and hotel should be finished this year, and the whole of the £109m centre, including an hotel, 200 flats and parking for 2,000 cars in 1979. An ice

rink is one of the facilities under discussion. John R. Harris are the architects for this and a number of other projects in Dubai.

It could be said that Abu Dhabi looks like a vast building site, but if the title fits anywhere it is Sharjah only 15 km along the road from Dubai. Streets of unfinished buildings and the inevitable roundabouts sprout from the sand.

Dubai may look askance, but Sharjah has not forgotten that it was once the first port in these parts. Sharjah, however, appears to have gone ahead faster than its fairly small oil revenue would justify. Hotel building is a growth industry in Sharjah and the supply of housing has attracted people from Dubai because of lower rents.

Annual rents in Dubai can extend from about 40,000 dirhams for a one-bedroomed flat to 130,000 dirhams for a three-bedroomed villa in the most desirable suburb. Rents are normally payable a year in advance and alarming stories are told of key money.

According to one property consultant, there is a discrepancy between the key money sought and that handed over, but figures of between 100 and 250 dirhams a sq ft have been paid for the most desirable commercial premises.

Rental levels in Abu Dhabi are said to be 10-15 per cent higher than in Dubai. There is speculation that property prices may soon fall in Dubai. Banks, however, sensitive to the overall liquidity position in the UAE, are becoming less keen to commit more finance to property development by local businessmen. At the same time, much of the property development is carried out by Sheikh Rashid and his family and the rents they charge are normally lower than in the private sector.

The author is on the staff of The Gulf Weekly Mirror.

## Takeoff from primitive beginning

continued from facing page

rights, it is becoming more and more unlikely that any of the emirates will start such a service and jeopardize the possibility of increasing international flights which attract foreign businesses to the area. Despite being spoilt for choice, the airlines themselves seem happy. Throughout the Gulf, in

the UAE, Oman, Bahrain, Kuwait, Iraq, Iran, Saudi Arabia, North Yemen and the People's Democratic Republic of Yemen, airports handled just over nine million passengers in 1975. Last year, provisional estimates put the figure at about 12 million.

With freight, it is the same story. Although world wide air freight to the oil-cargo airline, moving 50,000 tons because of TMA, its operations from Beirut to the emirate.

Having recovered from the ordeal, the handling

company, Dubai National Air Travel Agency (DNATA), is completely reorganizing. Dubai's cargo handled in Sharjah the last year. Dubai suffered from capacity reckoned to be about 36,000 tons. It handles mainly passengers. It is actively encouraging airlines and shippers to have their own facilities at the airport.

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# FOCUS ON

The  
National Assembly  
and Foreign Affairs

## Chamber where speed of development heads the agenda

by Ann Fyfe

There are two ways of looking at the UAE National Assembly, as a Western-type parliamentary body or as an institutional embodiment of an existing, tribal decision-making event, the consultation circle embracing all members of the group.

Its new Speaker is aware that Europeans will seize upon the fact that its members are appointed, not elected, and conclude that the UAE is not a democracy, ignoring the crucial, but in Western eyes nebulous, process by which individuals emerge as candidates for appointment.

Mr Tiriem says: "We know that this method of

considerably since the end of 1976 when both members and chairmanship were changed.

Mr Tiriem Tiriem, the new Speaker, returned from his post as ambassador to Cairo—a plum job in the UAE diplomatic service—to take up the assembly chair.

The constitution does not specify how members are to be chosen but leaves it to the discretion of each emirate, which means that the ruler's nominate their quota. Abu Dhabi and Dubai have eight representatives in the assembly, Sharjah and Ras al-Khaimah six each and the other remaining three emirates four members each.

Mr Tiriem says: "We know that this method of

choosing members by appointment is not in conformity with Western democracies, Government's proposal, the it is only the speed of which regard election alone is not the yardstick. Perhaps

you agree with me that democracy is not pre-moulded in patterns and shapes. Democracy is a spirit and practice."

Two constitutional powers are invested in the assembly and in practice it exploits both of them to the full. On the legislative level the assembly debates all Bills submitted to it by the Government and has the right to approve or reject them. After debating a Bill in the assembly, it is back to the Cabinet, but to the Supreme Council with the rest of the Government, with the result that the Bill never reaches the statute book.

The assembly's second spending

power is in question. A clause in the budget relating to the conduct of ship is not surprising.

At this point the Supreme Council's view of the Council's right to serve, although it is not in the Constitution, is in favour of the previous assembly's

view. There is no income tax in the UAE, but the Bill must be passed by the assembly.

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## Policy set apart by aid disbursements



Going up in the  
world, the trade  
centre in Dubai.

Gulf, and Mr Ghobash's assertion that intra-Gulf relations are on the right course is borne out by the substance of these many sessions of

The Iraqis are on good terms with Iran, and have offered cash aid to the Sultan of Oman, whose domestic insurgency they were still helping to finance 12 months ago. The Iraqis are talking to the Saudis on their at times fierce border disputes. The Saudis are talking and shelling out cash to the Adenians, which would have been unthinkable six months ago. The Omanis, if not talking publicly to the Adenians, are making frequent trips to those in Riyadh who, it was officially leaked during the May visit of Sultan Qaboos to Riyadh, one of the objectives of the visit was to make final arrangements for an exchange of diplomatic relations between his right-wing regime and Aden, with which he was at war until last November.

At the same time as rapprochement have been almost commonplace in the peninsula, the Red Sea to its west has become an ideological battleground and it may seem curious that the pro-Western regimes are solidly behind the Eritrean guerrillas and Moscow-oriented Somalis.

Eritrea is front-page news more often than not in the UAE press and the country's moral, political and financial support is with the secessionists.

Nevertheless, animosity over rival working papers almost caused one of the main participants to boycott the proceedings and rumours flew during the Iranian Foreign Minister's sweep through the Gulf that Iran was trying some kind of formal security pact on unwilling small states on the other shore. These have been renewed in the press of late but are denied vehemently by the UAE ministry, along with speculation of a forthcoming Gulf summit on security.

Ceremonial gatherings of this sort apart, there can rarely have been so much physical movement of government ministers and even heads of state within and around the shore of The

Arab states on the west bank

of the Red Sea as following the re-opening of the oil states grow closer.

From its own point of view, however, the Gulf may well consider the Afro-Arab summit in Cairo in March as one of the most significant events of recent years. Specific figures were put to the oil states' commitments to Africa in the coming year, amounting in the case of the UAE to \$100m in 1977 through the Arab Bank for Economic Development in Africa.

Abu Dhabi's own fund, the Abu Dhabi Fund for Arab Economic Development, is limited by its statute to investing in revenue-generating schemes for any one of which it can provide only half the finance under the aegis of the fund's country. It managed, however, to increase its loans to slightly more than \$250m at the end of 1976 compared with \$55m at the end of 1975. Its beneficiaries span the political spectrum from Morocco to Aden but by far the largest recipient of UAE aid, through the Abu Dhabi fund, the Arab bank emergency hand-outs and investment in projects is of course the pro-western regime in Egypt. After the January food riots, both the UAE and Saudi Arabia undertook to march in 1977 the total funds provided for Egypt over the preceding five years.

The Abu Dhabi fund has not been a purely Arab one since its capital was quadrupled at the end of its first year of operation in 1974, and its shareholders now include the whole of the Third World. Now it has eight Asian and African states on its books and nine Arab states. But the Abu Dhabi fund is just one of many organizations set up unilaterally, bilaterally and in conjunction with One and other bodies for the disbursement of cash. None of these includes frequent UAE handouts for emergency relief and disaster victims.

By way of completed departure, the UAE announced late in 1976 not only to find 15 per cent of the cost of the Arab peace-keeping operation in Lebanon but actually to send troops of the Union Defence Force to the active zones, where they presumably heard real shots fired in anger. How they acquitted themselves we do not know as the local press failed to seize the opportunity for some front-line reporting.

Keeping the peace, preserving stability through mediation, honest brokering and aid: this is the essence of UAE foreign policy. Mr Ghobash describes his Government as "liberal-conservative". Remaining on cordial terms with both sides to the ideological dispute which split The Gulf was in itself an achievement but rehabilitating the Aden regime was an epoch-making contribution to the stability of a strategic region.

Although the victory was for co-existence rather than for either of the two systems, some observers feel that amid this wave of reconciliation, "liberal-conservatism" is in the ascendancy, with all that it implies for the great powers in the Horn of Africa and the whole Indian Ocean region.

The liberation movements' protest left-wing beliefs to varying degrees did not, however, the members of the Soviet Union, though it can hardly be coincidence that the latter's influence in the Arab states on the west bank

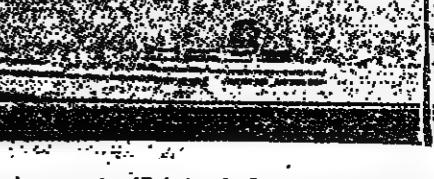
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## Focus on

Facts  
and figures

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Wide variety  
across  
the desert

Withdrawal by the Kingdom from the States led to the 50,000 sq miles stretching from the Qatar-Saudi border to the Gulf of Oman, also quite fertile. Agriculture, fishing and boat-building are the main industries but, with the construction of a main road across the Hajar mountains to the other emirates, tourism is expected to develop rapidly.

Umm al Qaywayn occupies a wedge-shaped area between Sharjah and Ras al Khaymah. The duyns of the emirates is it perhaps the most traditional; the principal occupations are fishing, herding and cultivation of the inland oases.

Abu Dhabi is the largest, most populous and wealthiest emirate with a per capita income of about \$30,000. Except for the highly cultivated oases at Al Ain and Liwa, it is arid desert with most of the population (of which less than 40 per cent is indigenous) concentrated in Abu Dhabi town (165,000) and Al-Ain (50,000).

Abu Dhabi is even more urban with Dubai town and environs accounting for almost half of its 206,000 inhabitants. Again, the number of immigrants far exceeds the local population, by about five to one. Once an important port and regional entrepot, Dubai has maintained its commercial position and has opted for almost unrestricted economic development based on liberal business policies.

Sharjah is Dubai's leading rival, attempting to resume its share of regional trade lost in the 1950s when the Sharjah creek silted up. Its economy is even more free-wheeling and, since the pro-selected with much for geographical position, the position of the emirates is now officially unrepresented. The unit of currency is the dirham divided into 100 fils (\$1 = 3.90 dirhams; and £1 = 6.590).

## Area and population

	Area (sq miles)	Population
	1973	1975
Abu Dhabi	26,000	130,000
Dubai	1,500	110,000
Sharjah	1,000	50,000
Ras al Khaymah	650	30,000
Al Fujayrah	450	12,000
Umm al Qaywayn	300	5,700
Ajman	100	4,400
<b>Total</b>	<b>30,000</b>	<b>342,100</b>
		651,100

duction of oil began in 1974, there has been a rapid acceleration in growth. Sharjah also has three enclaves on the Gulf of Oman—Khor Fakkan, Kabbah and Dibba—which offer good agricultural potential.

Ras al Khaymah is the only emirate to enjoy adequate rainfall and is the single most important farming area with a substantial cultivation of dates, tobacco, fruit and vegetables.

Al Fujayrah, sprawled out on the Eastern coast on the Gulf of Oman, is also quite fertile. Agriculture, fishing and boat-building are the main industries but, with the construction of a main road across the Hajar mountains to the other emirates, tourism is expected to develop rapidly.

Umm al Qaywayn occupies a wedge-shaped area between Sharjah and Ras al Khaymah. The duyns of the emirates is it perhaps the most traditional; the principal occupations are fishing, herding and cultivation of the inland oases.

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## Treasure under the sands

Oil production began in Abu Dhabi in 1962, in Dubai in 1968 and in Sharjah in 1974. Commercial discoveries have been found in Ras al Khaymah, where production from a promising offshore field could begin in 1978. Prospects are also fairly good in Al Fujayrah and exploration concessions have been let out in Ajman and Umm al Qaywayn. Hopes for important fields are, however, becoming less tenable.

Reserves are estimated at 4,080 million tonnes in Abu Dhabi, 3,180 million tonnes in Dubai and 76,500,000 tonnes in Sharjah. The combined production of operating companies has increased regularly, except for the price-induced fall in 1974, and reached 67,500,000 tonnes in 1976, a rise of 13 per cent over the previous year. Considering the cost advantage of Abu Dhabi crude as well as the resources of world oil, the 1977 level should increase by another 15 per cent. Revenues will proceed even more rapidly, with a 27.5 per cent increase in \$5,100m registered in 1976.

The trend is now towards value-added developments. The achievement of participation in ADPC and ADMA in 1974 ensures an incremental income from upstream activities while Adnoc's rapid expansion in the two big operating companies, Abu Dhabi Petroleum Company (ADPC), in which British Petroleum, Shell, Compagnie Française des Petroles, Exxon and Mobil have important direct interests, and Abu Dhabi Marine Areas (ADMA), which had been operated as a joint venture by BP, CFP and a Japanese consortium.

Options to acquire stakes in the Japanese-owned Abu Dhabi Oil Company, which, despite current production of a million tonnes, runs at a loss and in the Abu Dhabi dry dock scheduled for completion in 1978. It will consist of two docks capable of handling very large crude carriers of up to 500,000 tons and one dock for tankers of one million tons. The ubiquitous Sir William Halcrow & Partners is the consultant in charge.

Abu Dhabi crude oil exports principal destinations (million long tons)

	1971	1972	1973	1974	1975	(Jan-June)	1976
Japan	12.47	12.67	22.80	24.33	19.40	12.10	23.00
France	9.78	10.42	12.59	11.54	5.75	2.59	8.00
United Kingdom	7.15	7.83	5.97	5.09	6.84	4.28	5.75
United States	4.87	5.16	5.45	5.06	4.97	0.83	0.83
West Germany	1.81	2.17	2.57	5.10	1.88	0.74	1.50
Switzerland	0.05	0.07	0.84	2.51	1.60	—	—
Norway	—	0.09	0.19	1.71	1.01	—	—
Singapore	—	0.03	1.01	0.79	0.53	—	—
Italy	1.20	1.99	2.06	0.69	1.00	1.04	1.00
The Netherlands	2.09	3.79	2.83	2.14	6.69	1.83	2.28
South Africa	1.63	1.27	0.84	—	0.08	—	—
Pakistan	1.39	0.09	—	0.04	0.08	0.47	—
Netherlands Antilles	—	2.39	1.10	2.92	5.46	2.22	—
<b>TOTAL</b>	<b>44.02</b>	<b>48.09</b>	<b>59.78</b>	<b>63.98</b>	<b>65.77</b>	<b>33.82</b>	<b>76.54</b>

Source: Department of Petroleum, Government of Abu Dhabi. Petroleum and Industry in Abu Dhabi. Annual Statistical Report.

## Alternatives to oil

Each emirate has marked out its own industrialization strategy which often collides with the similar strategies of its union partners despite regular pleas for coordination by the federal governments. Abu Dhabi has selected an emphasis on oil and gas-based industries although it does display a refreshing reluctance to indulge in rapid diversification against the day when the oil wells run dry.

There are, however, ambitious joint ventures between the Government of Dubai (80 per cent) and the British Jabal Dhanna oil terminal. Smelting Constructors (20 per cent), committed to a \$140m gas liquefaction plant in the Eastern province, has proposed some reduction of Dubai's joint venture with Sumengdale Oil. The Ruweis scheme will now probably include a 120,000 barrels a day refinery to be built at a cost of \$550m, a \$1200m gas liquefaction plant which is experiencing funding problems, a fertilizer factory to produce 500,000 tonnes of ammonia and 33,000 tonnes of urea, and a sponge iron plant producing 300,000 tonnes a year which may merge with a German company. Other new projects directly linked to the Jabal Ali programme include an aluminium extrusion plant, a 200,000 tonnes a year cement plant and a 30,000 tonnes a year flour mill which has already been completed.

The plans remain vague and will undoubtedly be evolved gradually, reflecting the ruling family's concern over rapid industrialisation which would necessitate the immediate import of large numbers of immigrant workers. The private sector is also equally cautious in its approach and has confined itself to smaller ventures, especially in building materials, which are now being moved out from Abu Dhabi town to the new industrial estate at Madinat Zabeel. Other projects under construction include a cement bag factory, steel rolling mill, barite plant, magnetite plant, brick factory and a gas cylinder plant.

Dubai is certainly less reclusive than its larger neighbour. A few small industries already exist but the Ruler has now embarked on a huge industrialisation scheme at Jabal Ali. The centrepiece will be a \$400m aluminium smelter and a 15,000-tonnes-per-year petrochemical complex at Mubarak in Pakistan, and a \$50m interest in the Suez to Mediterranean (SUMED) pipeline.

It will be operated by the Dubai Aluminium Company, which is little concerned by the prospect of a vast influx of foreign workers needed to build and man the industrial sector. On the other hand, its domestic contractors have acquired the necessary experience and skills to handle medium-scale projects in contrast to Abu Dhabi's almost total dependence on foreign contractors.

Sharjah has opted for restrained development based on direct foreign investment attracted by liberal commercial regulations. This has not so far resulted in any important industrial schemes. There is an operating cement plant with a capacity of 700 tons.

It will be operated by the

continued on next page

# National Bank of Abu Dhabi

(Leading bank in the United Arab Emirates)

offers

## A COMPLETE WORLDWIDE BANKING SERVICE

Head Office: Sheikh Khalifa Street, Abu Dhabi

Branches:

ABU DHABI: Sheikh Khalifa Street, Sheikh Hamdan Street, New Souk, International Airport, Hilton Hotel.

AL AIN; DUBAI (Deira Side); SHARJAH; FUJEIRAH; RAS AL KHAIMAH; KHOW FAKKAN, BAHRAIN.

MUSCAT: OMAN. CAIRO: EGYPT. KHARTOUM: SUDAN.

Branches under foundation:

IN U.A.E.

At Istiqlal Street, Abu Dhabi. Clock Tower Branch, Al Ain. Jebel Dhanna, Bada Zayed, Abu Dhabi.

Ajman, Umm Al Quwain, Diba, Fujeirah, Dubai (Dubai Side). Al Naqil, Ras Al Khaimah.

OUTSIDE U.A.E.

Doha, Qatar. London, U.K. Alexandria, Egypt. Port Sudan, Sudan. Amman, Jordan. Mogadisho, Somalia. Sanaa, North Yemen.

Total assets at 31st December 1976 exceed UAE Dh.7,000,000,000

US \$1=Dirham 4 approximately



## Trade

from facing page needed capacity in the and, considering the relevant longer term and some acceleration may be possible from 1979.

The composition of imports is also changing. The share of capital goods has increased from 19.7 per cent in 1970 to 38.1 per cent in 1976 and demonstrates the development boom in the area.

The proportion of consumer goods has, in contrast, fallen from 61.2 per cent in 47.1 per cent in the same period, but still amply demonstrates the extent of the excessive degree of consumption in Dubai. Imports of food, clothing such as telecommunications, banking and accommodation, provide much have been especially strong

The UAE's foreign policy displays the common denominators marking the external responses of almost all the small, oil-rich Arab states.

The principal aims of this policy include the minimisation of the regional imbalances of power to the advantage of the moderate and conservative expressions of Arab nationalism, the resolution of latent tensions in the Gulf and the Arab peninsula, the promotion of a viable settlement to the Palestinian conflict, and the creation of friendly relations in Asia and Africa to the exclusion of radical alliances and movements.

Like Kuwait and Qatar, the UAE has fashioned a government-to-government aid programme for the extension of medical services in 1976 compared with 57.2 per cent in 1971. Such a high proportion of grant aid is because of the UAE's foreign aid per capita reaching 7,923 dirhams (\$2,100) in 1976. Abu Dhabi monopolises the foreign aid schedules.

Accordingly, Port Zayed has been expanded from the 1970 level of 612 per cent to 18. Anillary facilities, such as telecommunications, banking and accommodation, have been rapidly improved.

## by major country of origin ('000 dirhams)

	1972	1973	1974	1975	1976 (Jan-Jun)
1,615,578	2,488,944	4,880,880	8,094,858	4,987,276	
426,018	852,200	1,278,295	1,735,528	1,113,546	
327,695	561,208	1,092,028	1,890,386	1,151,281	
304,431	562,478	919,816	1,844,825	1,016,723	
65,828	157,144	151,144	151,144	488,206	
29,181	134,363	218,247	532,225	250,026	
41,719	63,111	161,465	165,200	165,200	
62,886	70,887	153,542	262,309	181,550	
120,146	108,888	148,948	133,438	78,417	
36,572	70,832	115,467	217,145	98,283	
75,134	138,930	330,198	588,881	383,055	
Europe and China	78,147	139,297	361,522	431,157	247,027
Africa	188,539	221,308	538,230	684,147	369,281
Asia	14,204	74,079	172,200	184,588	112,763
86,473	26,167	50,255	78,627	161,713	
87,882	121,043	305,775	400,952	114,005	
Others	258,957	450,862	1,052,586	1,520,501	844,150
	21,381	87,410	282,219	365,088	151,471
	65,981	93,354	217,846	339,050	347,439
Others	35,782	51,730	190,521	199,847	86,292
	2,175,001	3,352,142	7,053,499	10,910,109	6,534,062

## UAE Currency Board Bulletin

## Abu Dhabi: commodity classification of imports (dirhams m)

	1972	1973	1974	1975	1976 (Jan-Jun)
live animals and tobacco	245.5	344.1	822.3	1,020.6	515.1
whale, inedible, except	55.4	75.5	120.0	152.2	105.5
oil lubricants and materials	39.0	88.4	146.2	147.4	108.9
vegetable oils and fats	111.8	159.8	557.3	780.9	498.5
inedible goods, classified by materials	6.5	6.0	36.8	18.0	14.2
50.5	100.7	212.5	404.5	235.0	
2,175,001	3,352,142	7,053,499	10,910,109	6,534,062	

Government of Abu Dhabi, Customs Department; Government of Dubai, Statistics and Economic Board Bulletin, Vol 3, No 1, Nov 1976.

## Aid

The UAE's foreign policy displays the common denominators marking the external responses of almost all the small, oil-rich Arab states.

The principal aims of this policy include the minimisation of the regional imbalances of power to the advantage of the moderate and conservative expressions of Arab nationalism.

There is a strong trend financing its own development towards concessional terms as well as administrative assistance and loans extended by the Government of Abu Dhabi, foreign loans increased ADFAEF offers attractive terms compared with most other regional or international agencies.

During the same period, ADFAEF's geographical spread from 10.4m dirhams to 40.9m dirhams has been made directly by Abu Dhabi and federal governments and include holdings in almost every single regional organization.

The non-Arab countries share an obvious Islamic preference—Bangladesh and since September, 1976, Malaysia, Mali and Indonesia—but also include India, Burundi and the Maldives. While the geographic imbalance is being resolved, the failure of ADFAEF to disburse its commitments remains severe. By the end of September 1976, only 173.75m dirhams or 17.7 per cent of the total had been distributed since 1971. Similarly, only 82 per cent of the 638.5m dirhams committed by the Government of Abu Dhabi to the Arab Fund for Economic Development had been spent.

ADFAEF's overseas investments are far less substantial, amounting to only 8.5m dirhams by 1976. The of Egypt.

## FOCUS ON

Research by Middle East Economic Digest/MEED Consultants.

per cent. Yet, within the majority—3,839.7m dirhams Middle East, the choice of of foreign participations recipients has been made directly by cauchoic—extending from Abu Dhabi and federal governments and include holdings in almost every single regional organization. The largest single participation is the 1,479m dirhams held by the 1,023.6m dirhams invested in the Cairo-based Arab Armament Organization.

In addition to the Islamic Development Bank, the UAE also has substantial shares in other regional aid agencies including the Arab Fund for Economic and Social Development (27.5m dirhams), Arab Fund for Technical Assistance to Africa (10.4m dirhams), Arab Fund for Loans to African Countries, Arab Bank for Economic Development in Africa (78.4m dirhams), the Arab Monetary Fund and the Gulf Organization for the Development

of Egypt.

## Telecommunications

The United Arab Emirates' role as a regional commercial centre demands increased domestic and external telecommunications.

Ever willing to enhance stations in use.

By 1979, the number of telephone lines and telex outlets should have increased to 150,000 and 8,000 respectively, which should bring the UAE to the top of the Middle East telecommunications table.

In Abu Dhabi alone, during 1970-75, telephone lines in use increased 387 per cent to 8,153 and telex stations by 1,067 per cent to 385. Demand was almost equally aggressive. In the same five-year period, outgoing overseas calls leapt from 95,422 to 189,226, foreign cable traffic from 157,100 to 287,040 and, expressing the ubiquitous Middle East reliance on the telex system, telex calls from 11,184 to 302,230.

Dubai, with its traditional television.

The existence of three earth satellite stations for a population of 700,000 expresses in part the rivalry among the individual emirates and the lack of coordination, which has, until recently, characterized communications development.

The emergence of three earth satellite stations for a population of 700,000 expresses in part the rivalry among the individual emirates and the lack of coordination, which has, until recently, characterized communications development.

# Sharjahport

## Freightway to the Gulf

### A new concept in freight transport



The Emirate of Sharjah is the fastest growing state in the Gulf. Through offering an unusually favourable environment for private enterprise it is rapidly developing into one of the premier financial and business centres in the Middle East.

Sharjah's attitude to business is only one of the advantages of establishing trade links, another is location. Sharjah stands at the natural gateway to the rapidly expanding markets of the Arabian Peninsula and Iran. The Emirate is also developing quickly as the Gulf's main intermodal transport and freight shipment centres.

Sea, air and land freight transport services and facilities are being carefully developed to cater for the Gulf's transport needs today—and for the integrated transport needs of tomorrow. The concept is known as "Sharjahport".

"Sharjahport" is the first intermodal transportation system in the Middle East. It offers shippers the opportunity to combine sea, air and land transport services.

### Sea Freight

Port Khalid Sharjah has the first purpose built container terminal in the Gulf. The twin berth, twin crane facility was commissioned in August 1976 and has established service links to and from Europe, North America and the Far East.

Port Khalid also caters for conventional, palletised and Ro-Ro cargo.

By mid-1978, at Khor Fakkan on Sharjah's East Coast, "Sharjahport" will offer the Gulf's first transhipment port able to handle the world's largest container ships. Liner vessels operating via Suez and the Indian Ocean will be able to tranship Gulf bound cargo to land and sea feeder services connecting with destinations throughout the Middle East and Iran.

Shipowners will save the time and expense of roundtrip voyages through the congested Hormuz Straits.

Sea feeder links to and from Port Khalid and, beginning in 1978 Khor Fakkan—cover Bahrain, Kuwait, Doha, Dammam and the Iranian ports.

### Air Freight

By-passing the congestion problems at other Gulf airports, and with its advanced cargo handling capability, Sharjah International Airport forms a key element of "Sharjahport".

Opened in January 1977, Sharjah International Airport is the first airport in the Gulf with purpose built cargo facilities capable of handling the largest wide body commercial aircraft in service.



It is being equipped as the first fully containerised air cargo terminal in the Middle East, able to handle both dry and refrigerated air cargo.

Sharjah International Airport offers the facility for maximum exploitation of intermodal air-to-sea cargo transhipment to suit shipper's requirements.

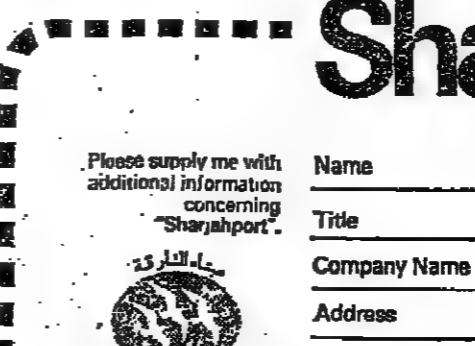
Associated with the airport is the adjacent development of an industrial and business park which will include sites for a free zone, light industry and airport related warehousing and distribution.



### Land Freight

Sharjah is at the hub of the UAE's modern highway system, and "Sharjahport's" facilities benefit from first class highway connections and trucking services throughout the UAE and the Arabian Peninsula.

Long distance road feeder services can provide fast links to and from such centres as Dammam, Al Khobar, Riyadh, Doha and Muscat.



### Discover Sharjahport

For full details complete the coupon below and address to the appropriate authority.

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Fax: 8138 SEAGUL

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Sharjah U.A.E.  
Tel: 24301, 24308, 24309  
Fax: 8185 AIRPORT

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Sharjah U.A.E.  
Tel: 24241/2  
Fax: 8138 SEAGUL

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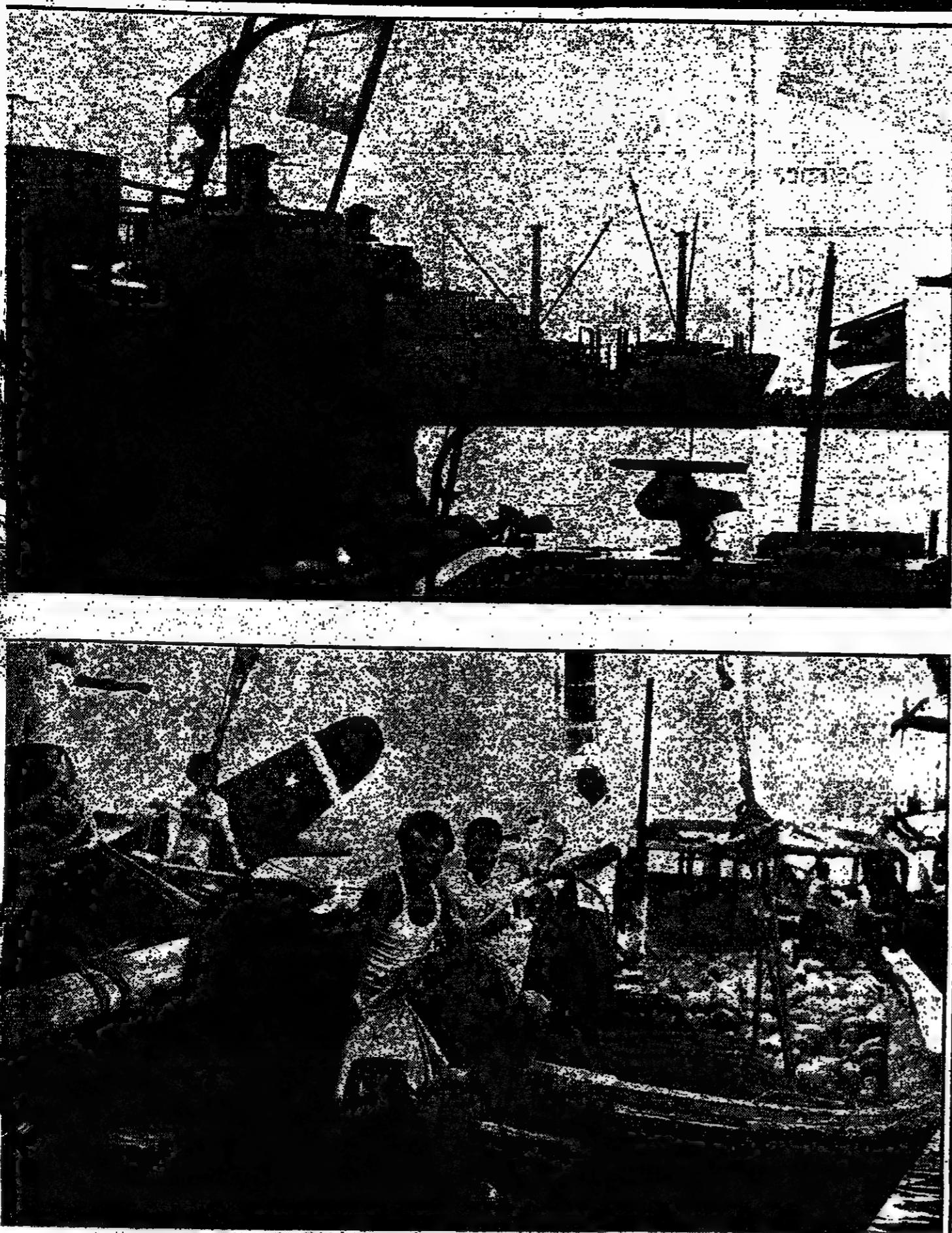
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For further information contact your travel agent or Gulf Air.

Flight No.	London Depart.	Abu Dhabi Arrive.	Flight No.	London Depart.	Abu Dhabi Arrive.	Flight No.	London Depart.	Abu Dhabi Arrive.
GFO02	1000	1200	GFO03	1000	1200	GFO04	1000	1200
GFO42	1810	2115				GFO15	0815	2210
GFO08	1900					GFO16	0815	2210
T002	1910	2115	GFO25	0815	2145	GFO26	0815	2145
GFO22	2045		GFO28	0815	2145	GFO30	0815	2145
GFO06	1000		GFO32	0815	2145	GFO34	0815	2145
GFO28	2000		GFO36	0815	2145	GFO38	0815	2145
T003	1900		GFO42	1810	2115	GFO44	1810	2115
GFO12	1900		GFO46	1810	2115	GFO48	1810	2115
GFO18	1900		GFO50	1810	2115	GFO52	1810	2115
GFO54	1830		GFO56	1810	2115	GFO58	1810	2115
GFO48	2110		GFO60	1810	2115	GFO62	1810	2115
GFO56	2110		GFO64	1810	2115	GFO66	1810	2115
GFO68	2045		GFO68	1810	2115	GFO70	1810	2115
GFO72	1810		GFO74	1810	2115	GFO76	1810	2115
GFO78	1810		GFO78	1810	2115	GFO80	1810	2115
GFO84	1810		GFO86	1810	2115	GFO88	1810	2115
GFO94	1810		GFO96	1810	2115	GFO98	1810	2115
GFO104	1810		GFO106	1810	2115	GFO108	1810	2115
GFO112	1810		GFO114	1810	2115	GFO116	1810	2115
GFO122	1810		GFO124	1810	2115	GFO126	1810	2115
GFO132	1810		GFO134	1810	2115	GFO136	1810	2115
GFO142	1810		GFO144	1810	2115	GFO146	1810	2115
GFO152	1810		GFO154	1810	2115	GFO156	1810	2115
GFO162	1810		GFO164	1810	2115	GFO166	1810	2115
GFO172	1810		GFO174	1810	2115	GFO176	1810	2115
GFO182	1810		GFO184	1810	2115	GFO186	1810	2115
GFO192	1810		GFO194	1810	2115	GFO196	1810	2115
GFO202	1810		GFO204	1810	2115	GFO206	1810	2115
GFO212	1810		GFO214	1810	2115	GFO216	1810	2115
GFO222	1810		GFO224	1810	2115	GFO226	1810	2115
GFO232	1810		GFO234	1810	2115	GFO236	1810	2115
GFO242	1810		GFO244	1810	2115	GFO246	1810	2115
GFO252	1810		GFO254	1810	2115	GFO256	1810	2115
GFO262	1810		GFO264	1810	2115	GFO266	1810	2115
GFO272	1810		GFO274	1810	2115	GFO276	1810	2115
GFO282	1810		GFO284	1810	2115	GFO286	1810	2115
GFO292	1810		GFO294	1810	2115	GFO296	1810	2115
GFO302	1810		GFO304	1810	2115	GFO306	1810	2115
GFO312	1810		GFO314	1810	2115	GFO316	1810	2115
GFO322	1810		GFO324	1810	2115	GFO326	1810	2115
GFO332	1810		GFO334	1810	2115	GFO336	1810	2115
GFO342	1810		GFO344	1810	2115	GFO346	1810	2115
GFO352	1810		GFO354	1810	2115	GFO356	1810	2115
GFO362	1810		GFO364	1810	2115	GFO366	1810	2115
GFO372	1810		GFO374	1810	2115	GFO376	1810	2115
GFO382	1810		GFO384	1810	2115	GFO386	1810	2115
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GFO432	1810		GFO434	1810	2115	GFO436	1810	2115
GFO442	1810		GFO444	1810	2115	GFO446	1810	2115
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GFO562	1810		GFO564	1810	2115	GFO566	1810	2115
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GFO642	1810		GFO644	1810	2115	GFO646	1810	2115
GFO652	1810		GFO654	1810	2115	GFO656	1810	2115
GFO662	1810		GFO664	1810	2115	GFO666	1810	2115
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GFO682	1810		GFO684	1810	2115	GFO686	1810	2115
GFO692	1810		GFO694	1810	2115	GFO696	1810	2115
GFO702	1810		GFO704	1810	2115	GFO706	1810	2115
GFO712	1810		GFO714	1810	2115	GFO716	1810	2115
GFO722	1810		GFO724	1810	2115	GFO726	1810	2115
GFO732	1810		GFO734	1810	2115	GFO736	1810	2115
GFO742	1810		GFO744	1810	2115	GFO746	1810	2115
GFO752	1810		GFO754	1810	2115	GFO756	1810	2115
GFO762	1810		GFO764	1810	2115	GFO766	1810	2115
GFO772	1810		GFO774	1810	2115	GFO776	1810	2115
GFO782	1810		GFO784	1810	2115	GFO786	1810	2115
GFO792	1810		GFO794	1810	2115	GFO796	1810	2115



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## Wealth may prove costly lure to insurance men

by John Brennan

The United Arab Emirates is widely viewed as the last open frontier for foreign insurance companies in the Arab world. The seven emirates remain uniquely receptive to foreign business. But as insurers from the world's markets flood into this enclave of free enterprise there is a growing danger that for many the invasion will prove more costly than effective.

Gulf—primarily Kuwaiti—groups accounted for another 11 per cent and the Monetary Board describes as "other Arab companies" which include locally managed agencies with Arab shareholders accounted for a further 18 per cent. That left 25 per cent of premiums for foreign direct insurers, which might seem a satisfactory share but for the disproportionate effort and costs involved in setting up these branches and their dismal claims experience.

The Monetary Board's claims statistics have, however, the point that if there are no legal requirements directing good business towards local companies, there are effective social pressures which achieve much the same effect. And the claims figures also underline both the effects of loss-leading by overseas groups and the difficulties they face in trying to use expatriate staff in competition with locals who truly know the market.

Claims costs for national companies ran to 19m dirhams, just 31 per cent of their premium income, in 1975. Claims costs of 62 per cent for Gulf companies compared with costs for the Arab companies. Against this impressive record of underwriting profits for the foreign companies recorded claims of 23m dirhams on an income of 25m dirhams, claims experience of 92 per cent before allowing for expenses.

It may be unjust to treat the 1975 figures as typical, given the inevitable testing troubles that face foreign companies establishing branch offices. But the local national, Arab and Gulf companies' inbuilt advantages in the direct market give them a competitive edge that they are busily capitalizing on, and so there will be no sudden riches for the newcomers; however fast the overall market develops.

A closer look at the figures presents a less encouraging picture for construction and industrial Correspondent, The Times

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bers of an artillery unit get a 105mm gun into position during the exercise. The UAE Armed Forces have a strength of about 20,000 men and are equipped largely with British and French weapons. As well as the Scorpions, the army has British-made Saladin and Shorland armoured cars, Ferret scout cars, Rapier and Vigilant missiles.



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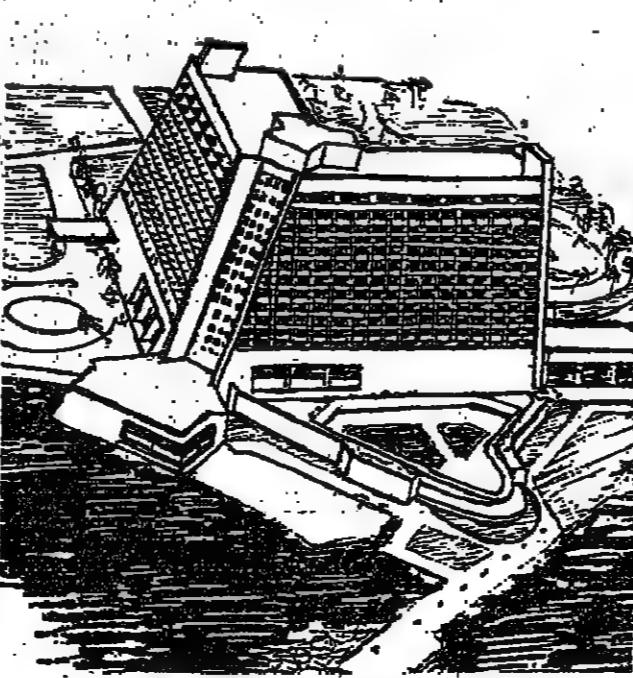
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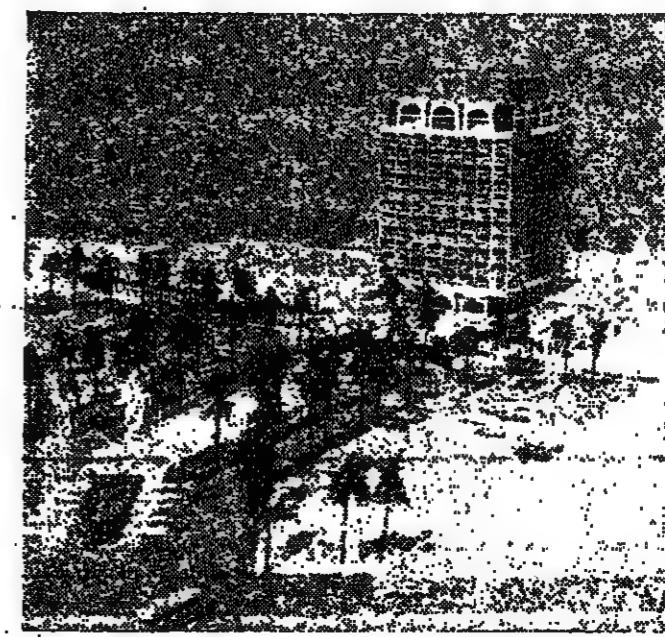
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**FOCUS ON**  
People

Nasser al-Nowais (late twenties); deputy director of the Abu Dhabi Fund and since June 1 one of the triumvirate which has taken over the currency board in the aftermath of the banking crisis. (Abu Dhabi)

When he arrived back home going its early oil-based boom, in his infancy and as in New York in 1974, it was to be three years before Nasser al-Nowais took a holiday. Although America had been only the second foreign country he had visited, it was to go to another 30 in the next three years, dispensing about \$250m in aid. After getting to know most of Asia and Africa as well as Europe and the United States, Mr al-Nowais remains anthropophile in general and Anglophilic in particular.

At the start of this month he was elevated to a commanding position in the economic hierarchy as one of the triumvirate which took over the currency board after a crisis in the banks.

Although born in Abu Dhabi, Mr al-Nowais's family had been attracted to neighbouring Qatar, then under

ter had encouraged the then sciences and had changed to They had no contacts or well business management, with established channels in the which he was much happier country, and no personal friends to turn to in case of need.

Mr al-Nowais, though keen to travel, nearly left New York in despair after his first three months. The disagreeable aspect was something he discerned as strong anti-Arab prejudice. Frequently harassed and taunted, he decided to arm himself with some research on the Middle East and discovered to his surprise that the Americans were willing to become friends once he agreed with them.

New York taught him about poverty as well as geography, and he developed an interest in the culture and their difficulties. By this time he had realised that he alone but the Foreign Minister was never going to be about

Sulaiman al-Jassem (aged 26); head of Emiri Diwan, Fujairah, Cairo and Oxford graduate, promising young diplomat. (Fujairah)

As a job description, "Head of the Emiri Diwan" may require some explanation. In more familiar terms, the Head of the Diwan combines the functions of the Comptroller of the Queen's Household, the Prime Minister's personal assistant, the Ombudsman and the Marshal of the Diplomatic Corps.

On the one hand the direct link between the citizen and the Ruler, above the bureaucracy, to whom people present their grievances and through whom they approach their Ruler, and on the other the organization of the Ruler's timetable, and thus the person with whom the visiting VIP will have the most dealings, he is, in short, a close second in importance to the

In Al Fujairah, the most remote of the seven emirates, lying entirely beyond the Hajar mountains on the Gulf of Oman coast, the present incumbent of the post is just 26 years old.

It was in Europe, during

Aisha Sayyar (early thirties); Director of Social Services at federal Ministry of Education; only UAE woman to reach director level; UAE's first woman graduate and only woman MA. (Sharjah)

Aisha Sayyar, a pearl's daughter, was the UAE's first woman graduate and is still its only woman MA. She is a determined person, has never worn a burqa in her life and devotes herself now to encouraging young people, particularly girls, to use their potential to the full.

An enthusiastic traveller, Miss Sayyar thought England was exciting until the United States State Department gave her a 35-day tour of America this May, the first UAE woman to receive such an invitation. Accustomed to making history by now, she is preparing her doctoral thesis to become the UAE's first woman PhD (there are just two men doctors to date).

The Sayyar ancestors

Abd al-Ghaffar Husain (late thirties); deputy director of Dubai Municipality, part owner of floating hotel, many other business interests including partner of Sir Alfred McAlpine. (Dubai)

The story of the deputy head of the Municipality (GLC) is a Dubai story. In his own words, Abd al-Ghaffar Husain is middle-class and self-made; he is also shrewd, affable and an Anglophile.

Today he combines his local government work with a wide range of businesses—Mr Husain is part-owner of The Gulf's first floating hotel—many of them representing United Kingdom firms. He has no qualms about the number of foreigners in Dubai and is a convinced anti-interventionist on the prices issue. He also argues that the cosmopolitan lifestyle of modern Dubai and the old, simple life are not mutually exclusive.

Abd al-Ghaffar Husain's father was an employee of a

Faraj bin Hamoodah (aged 30); vociferous member of National Assembly, a director of the National Bank of Abu Dhabi, owner of one of the largest trading concerns in Abu Dhabi. (Abu Dhabi)

Faraj bin Hamoodah, aged 30, was born in a clay and mud fortress in the oasis village of Al Jeemi, near Al Ain. As a boy his life and that of the whole community was affected by the famine; today his philosophy of life is based on the view that the world is small and nations interdependent.

During his boyhood the family, like the others of the neighbourhood, were half-Bedouin in that they travelled in the winter with their flocks in search of a call on the British Agent. On this his first summer to the houses they maintained in the village. Ali, Mr bin Hamoodah's father, was a notable of Al Jeemi, a mediator and on the agency lawn; brought shaykh—which in this up to physical prowess, be particular system was a job won easily.

Nowadays Abd al-Ghaffar has a small flat in London and many English friends and business partners. In 1966 he attended an intensive language course which involved living in an ordinary family in Bournemouth. He was the first Arab that family had met and they treated him exactly like one of themselves. He has never subsequently subscribed to the common view that the English are aloof.

As part-owner of the Chandris Line cruise ship Bon Voyage, now anchored in Dubai Creek as an hotel and restaurant, local partner of Sir Alfred McAlpine on a huge construction project, director of several light industries and overseas concerns, Abd al-Ghaffar both contributes and benefits from the cosmopolitan free-enter-

prise economy of Dubai. "We need foreigners," he says, and the issue does not worry him unduly. What he does worry about is the planned duplication of schemes whereby identical projects are sprung up in each emirate without proper regard for future requirements. Apart from the virtues of planning, however, he is strongly opposed to intervention in the market even with rents and food prices at today's levels.

On the subject of the old days, Mr. Husain is perfectly at home, now, and works in Dubai with the Municipality to preserve the Bedouin—like the destroyed old houses on the Dubai side of the creek with their characteristic wind-towers. "How can we say to the people, you will continue to live in these conditions so that the tourists can come and look at you?" he wonders.

His 10-year education with the company was to take him to England in 1966 and to Wales in 1967, where he worked in a Swansea refinery, living with a very religious family which held strong views about a young man's social life. It was not a happy period of his life. He was defeated by union, demarcation rules and depressed by the ugliness of the industrial landscape. The six-day war. These profiles were written

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THE GULF**

FOCUS ON

Immigration



Dubai commuters make their way to work along the creek of Port Rashid.

## Indians greatly outnumber the local Arabs

by Denis Taylor

The United Arab Emirates has one of the highest immigration rates in the world. The census of December 1975 gave a total population of 655,937, but no figure of the number of immigrants has ever been

paid savings to agents who

had promised them visas

after reaching the emirates, and that the Pakistani auth-

orities at the point where

the intending immigrants

and their relatives had gathered for several days before

departure had done nothing

to stop them leaving. The

600 were later returned to

Pakistan and 600 had

been granted visas to

India. The E.A.E.U. has

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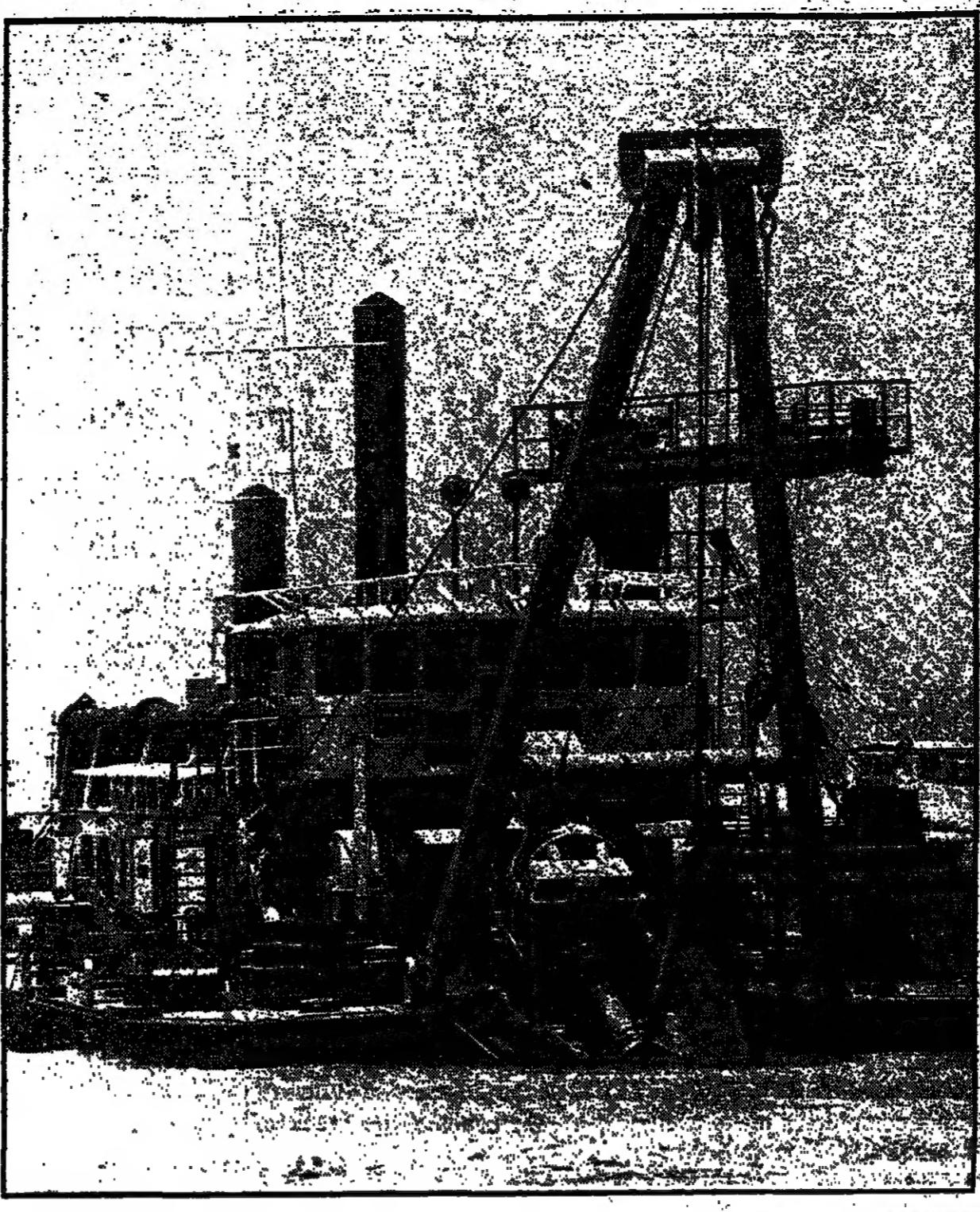
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# FOCUS ON

Industry



Cutter-suction dredging at Jabal Ali where a new port emerges on an uninhabited coastline.

## Nation shifts gear into production

by Paul Routledge

With its vast oil revenues the UAE is actively promoting a programme of investment in industrial basic services in expectation of a fundamental shift in the way the nation earns its living.

Although oil strikes are reported regularly, the sheikhs are clearly looking beyond the time when the oil dries up to a sustainable pattern of economic activity that will prevent the federation falling back into its old, unproductive ways.

Wrecked cars in the desert off the main Dubai-Abu Dhabi road are stark evidence that the UAE has made the transition from the 'oil age' to the 'industrial age'—a rather dangerous leap, and the economy is poised to make a similarly risky jump from a single source of wealth to industrial diversification. So far, the emphasis has been, as it must, on establishing the basic requirements for a modern industrial state, starting at the shore and moving into the capital.

The ports of the UAE will be equipped not only to handle the distribution of goods throughout The Gulf, Arabia, Iran and the north-west of the Indian sub-continent, but to service the construction materials, expanding growth of industry. New trunk roads are connecting a domestic oil refinery, a proposed centres of steel mill, an ethylene industry. Bridges, electricity generating stations, an ammonia plant and a fertilizer factory. Kao Steel and desalination plants are being ordered.

The emirates' order book

for industrial technology is a French consortium, and plant is substantial by negotiating about some of any standards. The sheikhs buy in the U.K., which is in the U.K., which has banned industry from the coral island of Abu Dhabi itself; there are to be a flour mill, an acid plant, steel pipe and steel rolling works; factories making bricks, tyres and possibly asbestos. A complete study of industrial prospects for the state is also being set in train. Consultants are being selected.

There are also federal projects—a bridge at Ras al Khayamah, a dual carriage-way from Sharjah to Daid, power station extensions, gas and electricity distribution networks. These projects are believed to be funded primarily by Abu Dhabi's disproportionately large wealth, but the smaller emirates do have industrial ambitions of their own, though on a much reduced scale. Ras al Khayamah is to double and double the output of its cement plant to a million tons a year with help from Kuwait, and Ajman has attracted a Peruvian fish meal firm.

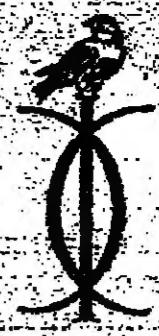
The overall impression is one of rapid industrialisation on an extensive scale. But there is not enough technical knowledge or manpower to run such plants. Workers to build the factories and refineries will have to be brought in, and western skills imported to shift the economy from its almost total dependence on the export of crude oil to a broad-based industrial power.

Non-oil exports: principal destinations (million dirhams)

Country	1970	1971	1972	1973	1974	1975	1976* (1976)	Share
Saudi Arabia	3.4	21.4	28.0	14.5	24.2	57.6	149.3	27.3%
Iran	57.1	64.5	87.8	61.1	84.6	211.9	138.4	25.0%
Qatar	—	16.1	12.5	26.3	33.8	67.5	104.5	19.1%
Oman	21.6	24.8	36.5	47.8	67.9	113.4	62.6	11.4%
Kuwait	—	6.1	7.3	22.9	23.9	47.4	34.8	6.3%
Bahrain	—	7.6	7.9	14.5	21.0	36.7	21.3	3.5%
Britain	—	0.1	—	0.1	0.5	0.1	0.3	1.14%
Other Far East countries	11.7	11.2	18.1	36.9	42.4	31.8	5.6	4.0%
Pakistan	—	0.1	0.5	1.7	5.7	11.2	4.3	0.8%
Total	96.5	161.4	203.8	349.0	339.0	602.6	547.5	100.0%
of which Dubai	96.5	128.2	168.2	215.5	295.6	566.6	446.9	82.2%
of which Abu Dhabi	—	33.1	35.8	29.4	43.4	35.2	97.6	17.7%

\*January-June  
Source: UAE Currency Board Bulletin, November, 1976.

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# Focus On

Health  
and the Beduin

## Improving medical services free for all

By Edgar

UAE veteran of treatment recently that new hospitals very well but it no longer got to. In one he had assumed to buying medical services are now available to everyone in the

medical services are free to citizens and alike. The Ministry will still pay for to receive treatment if it is not available together with the of a travelling company but the necessity for procedure has been a rapid decline.

dozens of clinics even to the most parts of the country, now few people receive regular treatment from a doctor, clinics are being built at schools, hospitals there are who are regarded among the top in West.

Health, although the has made great in medicine and welfare the five years been a deterioration, and the future are even before. The national budget is after this month to show a increase in the of Health's allocation expenditure, 360 million a year.

Health's medical facilities are lagged behind some of the other during the past four years there will be four hospitals in the under the supervision of the presidential

contract for the largest of these, the 524-bed hospital at Maafraq, was signed in April to the American company Johnson, Electrica Alumina and British Spa (PEAL). It will include a nuclear medical unit and have facilities for open-heart surgery.

Two hospitals, of 328 and 222 beds, are being built by the German company Pelsa, sky and Zoellner, with medical equipment being supplied by the joint venture of the Dutch Philips company and Siemens of Germany.

Another, of 510 beds, which is known as the grand hospital complex, is being constructed by Babcock & Wilcox of Germany. Consulting engineers for all four hospitals is Sir Alexander Gibb and Partners.

Also in Abu Dhabi is the main grand hospital, being built at Al-Ain which is in addition to the new tuberculosis hospital 20km away at Al-Saad.

In Dubai, more medical facilities will come under the Department of Health and Medical Services. Dubai already boasts one of the best hospitals in The Gulf, a Scandinavian woman's hospital, expert, but the Government is spending 500m dirhams on improving facilities still further. The Rashid is being improved and extended, a central services complex is being built and help to care for an expected population of 400,000 by 1980. Dubai is building a new 522-bed hospital designed by John R. Harris and Partners.

In Jumeirah there is to be a new psychiatric hospital.

The Rashid Hospital has

become well known for its research and treatment of eye disorders and has a number of specialists, including one bio-mechanical engineer.

For their minor ailments suddenly descended on the hospital simply because the name "hospital" implied better treatment.

In March alone the hospital dealt with more than 11,000 outpatient and accident and emergency cases and it has regularly been forced to maintain a dangerously high 97 per cent bed occupancy. On occasions it has gone as high as 105 per cent. Finally, at the beginning of this month, it had to close to admissions for a time because they simply could not take any more patients, who then had to be referred to Dubai.

The problem of patients taking their minor ailments to hospitals instead of clinics is not new. Dubai has gone through the same stages as the Rashid Hospital has strict rules that takes only those patients referred from a clinic, the older Al-Maktoum Hospital, or emergency cases.

Increasing emphasis is being put on preventive medicine in the UAE, and health education is included at nearly all schools.

But welfare in the emirates does not extend to medical services and facilities alone. As a new industrial and commercial society develops with such dramatic speed, social problems inevitably arise. For instance, social workers on their house-to-house visits have found that poverty in the UAE is often

increasingly being caused not so much by lack of work.

## Subtle attempt to settle the wanderers

By Ann Fyfe

Teaching the Beduin to make handicrafts - probably sounds an eccentric purpose. The International Labour Organisation is nevertheless sending a Scandinavian woman handicrafts expert, or "handicrafts engineer", to do just that in the desert oasis of Dada Zayed in Abu Dhabi. The result, it is hoped, will be more than hard work and absolute poverty for old age and still undertake the protection of travellers, even "enemies" passing through their territory.

Land, the most valuable commodity of all during the boom in construction, was freely parceled out to citizens on low incomes, including a large proportion of Beduin who now find themselves in possession of tower blocks on prime sites in Abu Dhabi town. The local partnership concept, by which foreigners trading in Abu Dhabi are required to have a local partner who may or may not share in the equity of the venture, has also been of great financial benefit to citizens without the skills to enter business themselves.

Cash is a commodity that Beduin are said to hold in great esteem, although many wage-earning jobs are beneath their pride. Lucrative pearlying was acceptable, and numbers of Beduin from the Liwa became pearlyers, but modern jobs of the type available to the uneducated - in building sites or as coffee boys in offices - are not.

Distributing the country's wealth among the Beduin has so far taken the direct form of paying a 1,000 dirham subsidy to each camel (camels play little part in the new

economy, and are sought after only for camel-racing, the sport of sheikhs).

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Settlements have been started in recent years in which Beduin families were offered modern housing and employment for the menfolk. These schemes have not succeeded on the whole; the Beduin have not adapted to the settled life, despite its comforts, and have drifted back in the desert. The latest idea is the "halfway house" - a group of modern houses built in desert areas, allowing the Beduin to live as they wished but with modern amenities. These can be seen along the Abu Al-Ain road and seem at this stage to be getting a more positive response.

The handicrafts project, however, which is a joint venture between the Ministry of Social Affairs, the ILO and the United Nations Development Programme, adopts a more subtle approach. It will introduce the idea of productivity and, since the goods produced will be bought at many times their market value, it will directly improve the standard of living of the families concerned.

What it will also do, over the longer term, is penetrate the tent and the community. By educating the womenfolk in the various traditional crafts it will, by deliberate but hidden extension, introduce them to a number of subjects vital to the improvement of living standards in the Bedu society, notably hygiene, child care, nutrition and the benefits of literacy. This is the real, underlying object of the exercise. It was one of the country's highly successful women's experiment at Al-Bunain, which brought all manner of new interests to the families of that area.

Preserving the traditional skills is a valid objective in itself in a community as far as the UAE. Principally, the handicrafts scheme will concentrate on *khussa*, the use of plaited palm leaves to make household containers, dishes, mats, trays, and so on, and on classical embroidery and leatherwork. The women's exquisite diaphanous kafans, usually in dark blue or dusty pink with intricate gold-thread embroidery at the neck already fetch a fortune from visitors. It is felt that skin rugs, leather goods and even the once common blander-shaped water-carrying skins will be equally attractive. These ancient crafts are disappearing fast and a nostalgia for them is starting to be felt.

Bedu women are expected to work very hard. Apart from bearing the greatest possible number of children and besides normal household duties, they have the particularly onerous tasks in desert surroundings of water-fetching and camel-waiting. The scheme will not lack conservative opponents in the community, but it is proposed that the sensible cash incentives will help solve that problem and allow them to introduce a wide range of modern comforts and amenities to the remote villages.

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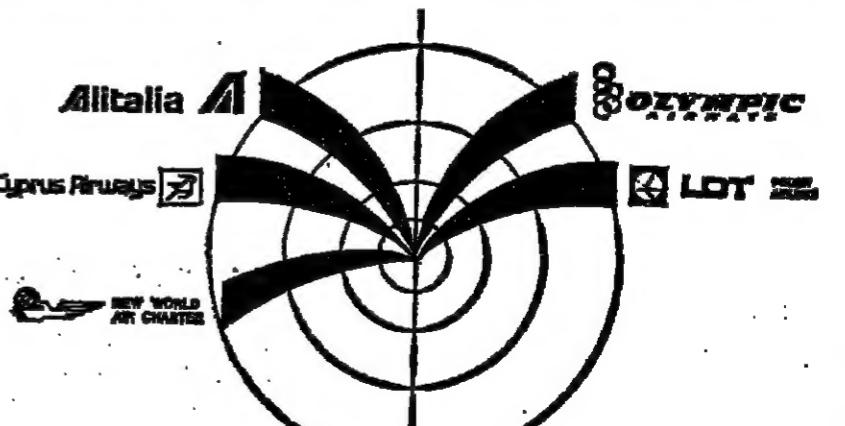


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